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ABSTRACT

A committee, representing both the House and Senate, presents statements and recommendations to amend the text of the bill S.659. The major subjects under discussion are: Title I. Higher Education; Title II. Vocational Education; Title III. Amendments Relating to the Administration of Education Programs; Title IV. Indian Education; Title V. Miscellaneous. Title VI. Investigation of Youth Camp Safety; Title VII. Emergency School Aid; Title VIII. General Provisions Relating to the Assignment or Transportation of Students; Title IX. Prohibition of Sex Discrimination; and Title X. Assistance to Institutions of Higher Education. The bill is an amendment to the Higher Education Act of 1965, the Vocational Education Act of 1963, the General Education Provisions Act (creating a National Foundation for Postsecondary Education and a National Institute of Education), the Elementary and Secondary Education Act of 1965 (ESEA), and related acts. A Joint Explanatory Statement of the Committee of Conference on the preceding titles is submitted. (The House of Representatives report, number 92-1085, is identical to the Senate report.) (LS)

ED061465

92D CONGRESS
2d Session
SENATE
REPORT
No. 92–798

EDUCATION AMENDMENTS OF 1972

MAY 22, 1972.—Ordered to be printed

Mr. Pell, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany S. 659]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the amendment of the House to the text of the bill (S. 659) to amend the Higher Education Act of 1965, the Vocational Education Act of 1963, the General Education Provisions Act (creating a National Foundation for Postsecondary Education and a National Institute of Education), the Elementary and Secondary Education Act of 1965, Public Law 874, Eighty-first Congress, and related acts, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the amendment of the House to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Education Amendments of 1972".

GENERAL PROVISIONS

SEC. 2. (a) As used in this Act—

(1) the term "Secretary" means the Secretary of Health, Education, and Welfare; and

(2) the term "Commissioner" means the Commissioner of Education;

unless the context requires another meaning.

(b) Unless otherwise specified, the redesignation of a section, subsection, or other designation by any amendment in this Act shall include the redesignation of any reference to such section, subsection, or other designation in any Act or regulation, however styled.

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(c)(1) *Unless otherwise specified, each provision of this Act and each amendment made by this Act shall be effective after June 30, 1972, and with respect to appropriations for the fiscal year ending June 30, 1973, and succeeding fiscal years.*

(2) *Unless otherwise specified, in any case where an amendment made by this Act is to become effective after a date set herein, it shall be effective with the beginning of the day which immediately follows the date after which such amendment is effective.*

(3) *In any case where the effective date for an amendment made by this Act is expressly stated to be effective after June 30, 1971, such amendment shall be deemed to have been enacted on July 1, 1971.*

TITLE I—HIGHER EDUCATION

PART A—COMMUNITY SERVICE AND CONTINUING EDUCATION PROGRAMS

EXTENSION OF AUTHORIZATION OF APPROPRIATIONS

SEC. 101. (a) Section 101 of the Higher Education Act of 1965 is amended by striking out all that follows "authorized to be appropriated" and inserting in lieu thereof the following: "$10,000,000 for the fiscal year ending June 30, 1972, $30,000,000 for the fiscal year ending June 30, 1973, $40,000,000 for the fiscal year ending June 30, 1974, and $50,000,000 for the fiscal year ending June 30, 1975.".

(b) The amendment made by subsection (a) shall be effective after June 30, 1971.

SPECIAL PROGRAMS AND PROJECTS RELATING TO NATIONAL AND REGIONAL PROBLEMS

SEC. 102. (a) (1) Sections 106, 107, 108, 109, 110, and 111 of the Higher Education Act of 1965, and all references thereto, are redesignated as sections 107, 108, 109, 110, 111, and 112, respectively. Title I of such Act is amended by inserting after section 105 the following new section:

"SPECIAL PROGRAMS AND PROJECTS RELATING TO NATIONAL AND REGIONAL PROBLEMS

"SEC. 106. (a) The Commissioner is authorized to reserve from the sums appropriated pursuant to section 101 for any fiscal year an amount not in excess of 10 per centum of the sums so appropriated for that fiscal year for grants pursuant to subsection (b).

"(b)(1) From the sums reserved under subsection (a), the Commissioner is authorized to make grants to, and contracts with, institutions of higher education (and combinations thereof) to assist them in carrying out special programs and projects, consistent with the purposes of this title, which are designed to seek solutions to national and regional problems relating to technological and social changes and environmental pollution.

"(2) No grant or contract under this section shall exceed 90 per centum of the cost of the program or project for which application is made.".

(2) Section 103(a) of such title I is amended by striking out that part of the language which precedes ", the Commissioner" and by inserting in lieu thereof "From the sums appropriated pursuant to section 101 for any fiscal year which are not reserved under section 106(a)".

(b) The amendments made by the second sentence of paragraph (1) of subsection (a) and by paragraph (2) of such subsection shall be effective after June 30, 1972, and then—

(1) only with respect to appropriations for title I of the Higher Education Act of 1965 for fiscal years beginning after June 30, 1972; and

(2) only to the extent that the allotment to any State under section 103(a) of such title is not less for any fiscal year than the allotment to that State under such section 103(a) for the fiscal year ending June 30, 1972.

EVALUATION OF ACTIVITIES

SEC. 103. (a) During the period beginning with the date of enactment of this Act and ending July 1, 1974, the National Advisory Council on Extension and Continuing Education, hereafter in this section referred to as the National Advisory Council, shall conduct a review of the programs and projects carried out with assistance under title I of the Higher Education Act of 1965 prior to July 1, 1973. Such review shall include an evaluation of specific programs and projects with a view toward ascertaining which of them show, or have shown, (1) the greatest promise in achieving the purposes of such title, and (2) the greatest return for the resources devoted to them. Such review shall be carried out by direct evaluations by the National Advisory Council, by the use of other agencies, institutions, and groups, and by the use of independent appraisal units.

(b) Not later than March 31, 1973, and March 31, 1975, the National Advisory Council shall submit to the Committee on Labor and Public Welfare of the Senate and the Committee on Education and Labor of the House of Representatives a report on the review conducted pursuant to subsection (a). Such report shall include (1) an evaluation of the program authorized by title I of the Higher Education Act of 1965 and of specific programs and projects assisted through payments under such title, (2) a description and an analysis of programs and projects which are determined to be most successful, and (3) recommendations with respect to the means by which the most successful programs and projects can be expanded and replicated.

(c) Sums appropriated pursuant to section 401(c) of the General Education Provisions Act for the purposes of section 402 of such Act shall be available to carry out the purposes of this section.

PART B—COLLEGE LIBRARY PROGRAMS

AUTHORIZATION OF APPROPRIATIONS

SEC. 111(a)(1) Sec. 201 of the Higher Education Act of 1965 is amended by striking out "and" after "1970," and inserting in lieu thereof "and $18,000,000 for the fiscal year ending June 30, 1972,".

(2) Section 221 of such Act is amended by striking out "and" after "1970," and inserting in lieu thereof "and $12,000,000 for the fiscal year ending June 30, 1972,".

(b)(1) Title II of the Higher Education Act of 1965 is amended by striking out "PART A—COLLEGE LIBRARY RESOURCES" and by striking out all of section 201 and inserting in lieu thereof the following:

"COLLEGE LIBRARY PROGRAMS; TRAINING; RESEARCH

"SEC. 201. (a) The Commissioner shall carry out a program of financial assistance—

"(1) to assist and encourage institutions of higher education in the acquisition of library resources, including law library resources, in accordance with part A; and

"(2) to assist with and encourage research and training persons in librarianship, including law librarianship, in accordance with part B.

"(b) For the purpose of making grants under parts A and B, there are authorized to be appropriated $75,000,000 for the fiscal year ending June 30, 1973, $85,000,000 for the fiscal year ending June 30, 1974, and $100,000,000 for the fiscal year ending June 30, 1975. Of the sums appropriated pursuant to the preceding sentence for any fiscal year, 70 per centum shall be used for the purposes of part A and 30 per centum shall be used for the purposes of part B, except that the amount available for the purposes of part B for any fiscal year shall not be less than the amount appropriated for such purposes for the fiscal year ending June 30, 1972.

"(c) For the purposes of this title—

"(1) the term 'library resources' means books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials, and other related library materials, including necessary binding; and

"(2) the term 'librarianship' means the principles and practices of the library and information sciences, including the acquisition, organization, storage, retrieval and dissemination of information, and reference and research use of library and information resources.

"PART A—COLLEGE LIBRARY RESOURCES"

(2)(A) The first sentence of section 202 of such title II is amended to read as follows: "From the amount available for grants under this part pursuant to section 201 for any fiscal year, the Commissioner shall make basic grants for the purposes set forth in section 201(a)(1) to institutions of higher education, to combinations of such institutions, to new institutions of higher education in the fiscal year preceding the fiscal year in which students are to be enrolled (in accordance with criteria prescribed by regulation), and other public and private nonprofit library institutions whose primary function is to provide library and information services to institutions of higher education on a formal, cooperative basis.".

(B) Section 203 of such title II is amended by striking out that part of the first sentence which precedes "supplemental grants" and inserting in lieu thereof the following: "From that part of the sums appropriated pursuant to section 201 for the purposes of this part for any fiscal year which remains after making basic grants pursuant to section 202, and which is not reserved for the purposes of section 204, the Commissioner shall make", and by striking out "section 201" where it appears after "set forth in" and inserting in lieu thereof "section 201(a)(1)".

(C)(i) Section 204(a)(1) of such title II is amended to read as follows:

"(1) From the sums appropriated pursuant to section 201 for the purposes of this part for any fiscal year, the Commissioner is authorized to reserve not to exceed 25 per centum thereof for the purposes of this section.".

(ii) Section 204(a)(2) of such title II is amended by striking out that part of the first sentence which precedes "may be used to make" and inserting in lieu thereof "Sums reserved pursuant to paragraph (1)".

(iii) Section 204(a)(2) of such title II is further amended by striking out "and" immediately preceding "(C)", and inserting before the period at the end of the first sentence the following: ", and (D) to other public and private nonprofit library institutions which provide library and information services to institutions of higher education on a formal, cooperative basis".

(iv) Section 204(a) of such title II is amended by striking out paragraph (3).

(3)(A) Part B of such title II is amended by striking out sections 221 and 222 and inserting in lieu thereof the following:

"TRAINING AND RESEARCH PROGRAMS

"SEC. 221. From the amount available for grants under this part pursuant to section 201 for any fiscal year, the Commissioner shall carry out a program of making grants in accordance with sections 222 and 223. Of such amount, 66⅔ per centum shall be available for the purposes of section 222 and 33⅓ per centum shall be available for the purposes of section 223.".

(B) Section 223(a) of such Act is amended to read as follows:

"SEC. 223. (a) The Commissioner is authorized to make grants to institutions of higher education and library organizations or agencies to assist them in training persons in librarianship. Such grants may be used by such institutions, library organizations or agencies (1) to assist in covering the cost of courses of training or study (including short term or regular session institutes) for such persons, (2) for establishing and maintaining fellowships or traineeships with stipends (including allowances for traveling, subsistence, and other expenses) for fellows and others undergoing training and their dependents, not in excess of such maximum amounts as may be prescribed by the Commissioner, and (3) for establishing, developing, or expanding programs of library and information science. Not less than 50 per centum of the grants made under this subsection shall be for the purpose of establishing and maintaining fellowships or traineeships under clause (2).".

(C) Section 223(b) of such Act is amended by inserting after "institution of higher education" the following: "and library organizations or agencies".

(D) Such part B is further amended by striking out section 225; and sections 223 and 224 of such part, and all references thereto (except those references thereto in section 221 of such part, as amended by subparagraph (A)), are redesignated as sections 222 and 223, respectively.

(b) The amendments made by subsection (a) shall be effective after June 30, 1972, and only with respect to appropriations for the fiscal year ending June 30, 1973, and succeeding fiscal years.

WAIVER OF MAINTENANCE OF EFFORT REQUIREMENT

SEC. 112. (a) Section 202 of title II of the Higher Education Act of 1965 is amended by redesignating clauses (c) and (d), and all references thereto, as clauses (2) and (3), respectively, and by striking out clauses (a) and (b) and inserting in lieu thereof the following:

"(1) provides satisfactory assurance that the applicant will expend during the fiscal year for which the basic grant is sought, from funds other than funds received under this part—

"(A) for all library purposes (exclusive of construction), an amount not less than the average annual amount it expended for such purposes during the two fiscal years preceding the fiscal year for which assistance is sought under this part, and

"(B) for library resources, an amount not less than the average amount it expended for such resources during the two fiscal years preceding the fiscal year for which assistance is sought under this part,

except that, if the Commissioner determines, in accordance with regulations, that there are special and unusual circumstances which prevent the applicant from making the assurances required by this clause (1), he may waive that requirement for one or both of such assurances;".

(b)(1) The second sentence of such section 202 is amended by striking out "not exceed" and inserting in lieu thereof the following: ", for any fiscal year, be equal to the amount expended by the applicant for library resources during that year from funds other than funds received under this part, except that no basic grant shall exceed".

(2) Clause (1) of section 203(a) of such title II is amended by striking out that part thereof which follows "section 202" and inserting in lieu thereof a semicolon.

(c) The amendments made by this section shall be effective after, and only with respect to appropriations for fiscal years beginning after, June 30, 1971.

INCREASE IN MAXIMUM AMOUNT OF SUPPLEMENTAL GRANTS

SEC. 113. (a) Section 203(a) of the Higher Education Act of 1965 is amended by striking out "$10" and inserting in lieu thereof "$20".

(b) The amendment made by subsection (a) shall be effective after, and only with respect to appropriations for fiscal years beginning after, June 30, 1972.

AUTHORIZATION OF APPROPRIATIONS FOR COLLEGE AND RESEARCH LIBRARY RESOURCES

SEC. 114. (a) Section 231 of the Higher Education Act of 1965 is amended by striking out "and the succeeding fiscal year" and inserting in lieu thereof "and $9,000,000 for the fiscal year ending June 30, 1972, $12,000,000 for the fiscal year ending June 30, 1973, $15,000,000 for the fiscal year ending June 30, 1974, and $9,000,000 for the fiscal year ending June 30, 1975".

(b) The amendments made by subsection (a) shall be effective after June 30, 1971.

EVALUATION AND REPORT

SEC. 115. (a) Part C of title II of the Higher Education Act of 1965 is amended by adding at the end thereof the following new section:

"EVALUATION AND REPORT

"SEC. 232. No later than March 31 of each calendar year the Librarian of the Congress shall transmit to the respective committees of the Congress

having legislative jurisdiction over this part and to the respective Committees on Appropriations of the Congress a report evaluating the results and effectiveness of acquisition and cataloging work done under this part, based to the maximum extent practicable on objective measurements, including costs, together with recommendations as to proposed legislative action.".

(b) The amendment made by subsection (a) shall be effective after June 30, 1972.

PART C—DEVELOPING INSTITUTIONS; EMERGENCY ASSISTANCE TO INSTITUTIONS OF HIGHER EDUCATION

REVISION OF TITLE III (STRENGTHENING DEVELOPING INSTITUTIONS)

SEC. 121. (a) Title III of the Higher Education Act of 1965 is amended to read as follows:

"TITLE III—STRENGTHENING DEVELOPING INSTITUTIONS

"AUTHORIZATION

"SEC. 301. (a) The Commissioner shall carry out a program of special assistance to strengthen the academic quality of developing institutions which have the desire and potential to make a substantial contribution to the higher education resources of the Nation but which are struggling for survival and are isolated from the main currents of academic life.

"(b)(1) For the purpose of carrying out this title, there are authorized to be appropriated $120,000,000 for the fiscal year ending June 30, 1973, and for each of the succeeding fiscal years ending prior to July 1, 1975.

"(2) Of the sums appropriated pursuant to this subsection for any fiscal year, 76 per centum shall be available only for carrying out the provisions of this title with respect to developing institutions which plan to award one or more bachelor's degrees during such year.

"(3) The remainder of the sums so appropriated shall be available only for carrying out the provisions of this title with respect to developing institutions which do not plan to award such a degree during such year.

"ELIGIBILITY FOR SPECIAL ASSISTANCE

"SEC. 302. (a)(1) For the purposes of this title, the term 'developing institution' means an institution of higher education in any State which—

"(A) is legally authorized to provide, and provides within the State, an educational program for which it awards a bachelor's degree, or is a junior or community college;

"(B) is accredited by a nationally recognized accrediting agency or association determined by the Commissioner to be reliable authority as to the quality of training offered or is, according to such an agency or association, making reasonable progress toward accreditation;

"(C) except as is provided in paragraph (2), has met the requirement of clauses (A) and (B) during the five academic years preceding the academic year for which it seeks assistance under this title; and

"(D) meets such other requirements as the Commissioner shall prescribe by regulation, which requirements shall include at least a determination that the institution—

"(i) is making a reasonable effort to improve the quality of its teaching and administrative staffs and of its student services; and

"(ii) is, for financial or other reasons, struggling for survival and isolated from the main currents of academic life.

"(2) The Commissioner is authorized to waive the requirement set forth in clause (C) of paragraph (1) in the case of applications for grants under this title by institutions located on or near an Indian reservation or a substantial population of Indians if the Commissioner determines such action will increase higher education for Indians, except that such grants may not involve an expenditure of funds in excess of 1.4 per centum of the sums appropriated pursuant to this title for any fiscal year.

"(b) Any institution desiring special assistance under the provisions of this title shall submit an application for eligibility to the Commissioner at such time, in such form, and containing such information, as may be necessary to enable the Commissioner to evaluate the need of the applicant for such assistance and to determine its eligibility to be a developing institution for the purposes of this title. The Commissioner shall approve any application for eligibility under this subsection which indicates that the applicant is a developing institution meeting the requirements set forth in subsection (a).

"(c) For the purposes of clause (A) of paragraph (1) of subsection (a) of this section, the term 'junior or community college' means an institution of higher education,—

"(1) which does not provide an educational program for which it awards a bachelor's degree (or an equivalent degree);

"(2) which admits as regular students only persons having a certificate of graduation from a school providing secondary education (or the recognized equivalent of such a certificate); and

"(3) which does—

"(A) provide an educational program of not less than two years which is acceptable for full credit toward such a degree, or

"(B) offer a two-year program in engineering, mathematics, or the physical or biological sciences, which program is designed to prepare a student to work as a technician and at the semiprofessional level in engineering, scientific, or other technological fields, which fields require the understanding and application of basic engineering, scientific, or mathematical principles of knowledge.

"ADVISORY COUNCIL ON DEVELOPING INSTITUTIONS

"SEC. 303. (a) There is hereby established an Advisory Council on Developing Institutions (in this title referred to as the 'Council') consisting of nine members appointed by the Commissioner with the approval of the Secretary.

"(b) The Council shall, with respect to the program authorized by this title, carry out the duties and functions specified by part C of the General Education Provisions Act and, in particular, it shall assist the Commissioner—

"(1) in identifying developing institutions through which the purposes of this title may be achieved; and

"(2) in establishing the priorities and criteria to be used in making grants under section 304(a).

"USES OF FUNDS: COOPERATIVE ARRANGEMENTS, NATIONAL TEACHING FELLOWSHIPS, AND PROFESSORS EMERITUS

"SEC. 304. (a) The Commissioner is authorized to make grants and awards, in accordance with the provisions of this title, for the purpose of strengthening developing institutions. Such grants and awards shall be used solely for the purposes set forth in subsection (b).

"(b) Funds appropriated pursuant to section 301(b) shall be available for—

"(1) grants to institutions of higher education to pay part of the cost of planning, developing, and carrying out cooperative arrangements between developing institutions and other institutions of higher education, and between developing institutions and other organizations, agencies, and business entities, which show promise as effective measures for strengthening the academic program and the administrative capacity of developing institutions, including such projects and activities as—

"(A) exchange of faculty or students, including arrangements for bringing visiting scholars to developing institutions,

"(B) faculty and administration improvement programs, utilizing training, education (including fellowships leading to advanced degrees), internships, research participation, and other means,

"(C) introduction of new curricula and curricular materials,

"(D) development and operation of cooperative education programs involving alternate periods of academic study and business or public employment, and

"(E) joint use of facilities such as libraries or laboratories, including necessary books, materials, and equipment;

"(2) National Teaching Fellowships to be awarded by the Commissioner to highly qualified graduate students and junior faculty members of institutions of higher education for teaching at developing institutions; and

"(3) Professors Emeritus Grants to be awarded by the Commissioner to professors retired from active service at institutions of higher education to encourage them to teach or to conduct research at developing institutions.

"(c)(1) An application for assistance for the purposes described in subsection (b)(1) shall be approved only if it—

"(A) sets forth a program for carrying out one or more of the activities described in subsection (b)(1), and sets forth such policies and procedures for the administration of the program as will insure the proper and efficient operation of the program and the accomplishment of the purposes of this title;

"(B) sets forth such policies and procedures as will insure that Federal funds made available under this section for any fiscal year will be so used as to supplement and, to the extent practical, increase the level of funds that would, in the absence of such Federal funds be made available for the purposes of the activities described in subsection (b)(1), and in no case supplant such funds;

"(C) sets forth policies and procedures for the evaluation of the effectiveness of the project or activity in accomplishing its purpose;

"(D) provides for such fiscal control and fund accounting procedures as may be necessary to insure proper disbursement of and

accounting for funds made available under this title to the applicant; and

"(E) provides for making such reports, in such form and containing such information, as the Commissioner may require to carry out his functions under this title, and for keeping such records and affording such access thereto, as he may find necessary to assure the correctness and verification of such reports.

The Commissioner shall, after consultation with the Council, establish by regulation criteria as to eligible expenditures for which funds from grants for cooperative arrangements under clause (1) of subsection (b) may be used, which criteria shall be so designed as to prevent the use of such funds for purposes not necessary to the achievement of the purposes for which the grant is made.

"(2)(A) Applications for awards described in clauses (2) and (3) of subsection (b) may be approved only upon a finding by the Commissioner that the program of teaching or research set forth therein is reasonable in the light of the qualifications of the applicant and of the educational needs of the institution at which the applicant intends to teach.

"(B) No application for a National Teaching Fellowship or a Professors Emeritus Grant shall be approved for an award of such a fellowship or grant for a period exceeding two academic years, except that the award of a Professors Emeritus Grant may be for such period, in addition to such two-year period of award, as the Commissioner, upon the advice of the Council, may determine in accordance with policies of the Commissioner set forth in regulations.

"(C) Each person awarded a National Teaching Fellowship or a Professors Emeritus Grant shall receive a stipend for each academic year of teaching (or, in the case of a recipient of a Professors Emeritus Grant, research) as determined by the Commissioner upon the advice of the Council, plus an additional allowance for each such year for each dependent of such person. In the case of National Teaching Fellowships, such allowance may not exceed $7,500, plus $400 for each dependent.

"ASSISTANCE TO DEVELOPING INSTITUTIONS UNDER OTHER PROGRAMS

"SEC. 305. (a) Each institution which the Commissioner determines meets the criteria set forth in section 302(a) shall be eligible for waivers in accordance with subsection (b).

"(b)(1) Subject to, and in accordance with, regulations promulgated for the purpose of this section, in the case of any application by a developing institution for assistance under any program specified in paragraph (2), the Commissioner is authorized, if such application is otherwise approvable, to waive any requirement for a non-Federal share of the cost of the program or project, or, to the extent not inconsistent with other law, to give, or require to be given, priority consideration of the application in relation to applications from institutions which are not developing institutions.

"(2) The provisions of this section shall apply to any program authorized by title II, IV, VI, or VII of this Act.

"(c) The Commissioner shall not waive, under subsection (b), the non-Federal share requirement for any program for applications which, if approved, would require the expenditure of more than 10 per centum of the appropriations for that program for any fiscal year.

"LIMITATION

"SEC. 306. None of the funds appropriated pursuant to section 301(b)(1) shall be used for a school or department of divinity or for any religious worship or sectarian activity.".

(b) The amendment made by subsection (a) shall be effective after, and only with respect to appropriations made for fiscal years beginning after, June 30, 1972.

EMERGENCY ASSISTANCE FOR INSTITUTIONS OF HIGHER EDUCATION

SEC. 122. (a)(1) The Congress hereby finds and declares that—

(A) the Nation's institutions of higher education constitute a national resource which significantly contributes to the security, general welfare, and economy of the United States;

(B) considerable evidence has been advanced which indicates that many institutions of higher education are in financial distress resulting from many causes, including, among others, efforts on the part of such institutions to increase enrollments, to improve the quality of education and training, and to enlarge educational opportunities; and

(C) various proposals have been presented to the Congress, in response to such condition of financial distress, for providing financial assistance to the Nation's institutions of higher education but, except for that necessary to justify payments provided for reimbursement for part of the cost of instruction as provided in title X of this Act, insufficient information is available on the basis of which the Congress can determine, with any degree of certainty, the nature and causes of such financial distress or the most appropriate means with which present and future conditions of financial distress may be dealt.

(2) It is the purpose of this section to provide to institutions of higher education, which are determined in accordance with this section to be in serious financial distress, interim emergency assistance to enable them to determine the nature and causes of such distress and the means by which such distress may be alleviated, and to improve their capabilities for dealing with financial problems using, to the extent appropriate, assistance authorized under the Higher Education Act of 1965 and all other sources of financial assistance.

(b)(1) There is authorized to be appropriated for the period beginning with the date of enactment of this Act, and ending June 30, 1974, $40,000,000 for the purpose of making grants under this section. Sums so appropriated shall remain available for obligation and expenditure until expended.

(2) (A) The Commissioner is authorized to make grants to institutions of higher education which are in serious financial distress, as such term is defined in regulations of the Commissioner, in accordance with the provisions of this section.

(B) A grant under this subsection may be made only upon application therefor to the Commissioner. Such applications shall be submitted at such time, in such form, and containing such information, assurances, policies, and procedures as the Commissioner may require in order to enable him to carry out his functions under this section. The Commissioner shall not approve any such application unless he finds that—

(i) in the case of a public institution of higher education, the institution has submitted its application for emergency assistance

under this subsection to the appropriate State agency, as provided by the law of the State in which it is located and in accordance with regulations of the Commissioner, if any such agency exists with respect to such State, and such State agency has made a finding, in accordance with criteria established by the Commissioner, that such institution is in serious financial distress and (I) is in need of financial assistance under this section to continue its operation, or (II) will have to discontinue or substantially curtail its academic programs to the detriment of the quality of education available to its students;

(ii) in the case of a nonpublic institution of higher education, the institution either has complied with the procedure set forth in clause (i) for public institutions, or has submitted an application directly to the Commissioner and the Commissioner has determined that the institution meets the condition set forth in either clause (i)(I) or (i)(II), and has submitted a copy to the appropriate State agency, as determined under the law of the State in which it is located and in accordance with regulations of the Commissioner, for comment;

(iii) such institution has developed, adopted, and submitted a plan which the Commissioner determines provides reasonable assurance that, if the institution receives the grant for which it is applying, such institution will be able, during and after the period covered by such grant, to continue the educational services, programs, and activities with respect to which such grant is sought;

(iv) such institution is making a major contribution to the overall higher educational system of the area of the State in which it is located, or of the Nation; and

(v) such institution has included in such application such policies and procedures for the use of funds received under the grant as will insure that such funds will not be used for a school or department of divinity or for any religious worship or sectarian activity, and as will insure that such funds will be solely used for the purposes for which the grant is made.

(C) An application shall be approved under this subsection only if it includes such information, terms, and conditions as the Commissioner finds necessary and reasonable to enable him to carry out his functions under this section, and as he determines will be in the financial interest of the United States, and the applicant agrees—

(i) to disclose such financial information as the Commissioner determines to be necessary to determine the sources or causes of its financial distress and other information relating to its use of its financial resources;

(ii) to conduct a comprehensive cost analysis study of its operation, including income-cost comparisons and cost per credit hour of instruction for each department, in accordance with uniform standards prescribed by the Commissioner; and

(iii) to consider, and either implement or give adequate reasons in writing for not doing so, any financial or operational reform recommended by the Commissioner for the improvement of its financial condition.

(D) The Commissioner shall not approve an application for a grant under this section without first obtaining the advice and recommendations of a panel of specialists who are not regular, full-time employees of the

Federal Government and who are competent to evaluate the applications as to the relative degree of financial distress of the applying institutions.

(c) As used in this section—

(1) the term "institution of higher education" means an educational institution in any State which (A) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate, (B) is legally authorized within such State to provide a program of education beyond secondary education, (C) has been in existence for at least five years prior to the date upon which it makes application under this section, (D) provides an educational program for which it awards a bachelor's degree or provides not less than a two-year program which is acceptable for full credit towards such a degree, (E) is a public or other nonprofit institution, and (F) is accredited by a nationally recognized accrediting agency or association or, if not so accredited, (i) is an institution with respect to which the Commissioner has determined that there is satisfactory assurance, considering the resources available to the institution, the period of time, if any, during which it has operated, the effort it is making to meet accreditation standards, and the purpose for which this determination is being made, that the institution will meet the accreditation standards of such an agency or association within a reasonable time, or (ii) is an institution whose credits are accepted, on transfer, by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution which is accredited, and, for the purpose of this clause, the Commissioner shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authority as to the quality of training offered;

(2) the term "State" includes the fifty States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands; and

(3) the term "school or department of divinity" means an institution or a department or a branch of an institution the program of instruction of which is designed for the education of students (A) to prepare them to become ministers of religion or to enter upon some other religious vocation (or to provide continuing training for any such vocation), or (B) to prepare them to teach theological subjects.

Part D—Student Assistance

REVISION OF PART A OF TITLE IV (EDUCATIONAL OPPORTUNITY GRANTS)

Sec. 151. (a)(1)(A) The first sentence of section 401(b) of the Higher Education Act of 1965 is amended by striking out that part which precedes "to enable the Commissioner" and inserting in lieu thereof: "There are hereby authorized to be appropriated $170,000,000 for the fiscal year ending June 30, 1972, and $200,000,000 for each of the succeeding fiscal years ending prior to July 1, 1975,".

(B) Section 408 of such Act is amended by striking out "for the fiscal year ending June 30, 1971" and inserting in lieu thereof "for each of the succeeding fiscal years ending prior to June 30, 1975".

(2) The amendments made by paragraph (1) shall be effective after June 30, 1971.

(b) (1) Part A of title IV of such Act is amended to read as follows:

"PART A—GRANTS TO STUDENTS IN ATTENDANCE AT INSTITUTIONS OF HIGHER EDUCATION

"STATEMENT OF PURPOSE; PROGRAM AUTHORIZATION

"SEC. 401. (a) It is the purpose of this part, to assist in making available the benefits of postsecondary education to qualified students in institutions of higher education by—

"(1) providing basic educational opportunity grants (hereinafter referred to as 'basic grants') to all eligible students;

"(2) providing supplemental educational opportunity grants (hereinafter referred to as 'supplemental grants') to those students of exceptional need who, for lack of such a grant, would be unable to obtain the benefits of a postsecondary education;

"(3) providing for payments to the States to assist them in making financial aid available to such students; and

"(4) providing for special programs and projects designed (A) to identify and encourage qualified youths with financial or cultural need with a potential for postsecondary education, (B) to prepare students from low-income families for postsecondary education, and (C) to provide remedial (including remedial language study) and other services to students.

"(b) The Commissioner shall, in accordance with subparts 1, 2, 3, and 4, carry out programs to achieve the purposes of this part.

"Subpart 1—Basic Educational Opportunity Grants

"BASIC EDUCATIONAL OPPORTUNITY GRANTS: AMOUNT AND DETERMINATIONS; APPLICATION

"SEC. 411. (a)(1) The Commissioner shall, during the period beginning July 1, 1972, and ending June 30, 1975, pay to each student who has been accepted for enrollment in, or is in good standing at, an institution of higher education (according to the prescribed standards, regulations, and practices of that institution) for each academic year during which that student is in attendance at that institution, as an undergraduate, a basic grant in the amount for which that student is eligible, as determined pursuant to paragraph (2).

"(2) (A) (i) The amount of the basic grant for a student eligible under this subpart for any academic year shall be $1,400, less an amount equal to the amount determined under paragraph (3) to be the expected family contribution with respect to that student for that year.

"(ii) In any case where a student attends an institution of higher education on less than a full-time basis during any academic year, the amount of the basic grant to which that student is entitled shall be reduced in proportion to the degree to which that student is not so attending on a full-time basis, in accordance with a schedule of reductions established by the Commissioner for the purposes of this division. Such schedule of reductions shall be established by regulation and published in the Federal Register not later than February 1 of each year.

"(B) (i) The amount of a basic grant to which a student is entitled under this subpart for any academic year shall not exceed 50 per centum of the actual cost of attendance at the institution at which the student is in attendance for that year.

"(ii) No basic grant under this subpart shall exceed the difference between the expected family contribution for a student and the actual cost of attendance at the institution at which that student is in attendance. If with respect to any student, it is determined that the amount of a basic grant plus the amount of the expected family contribution for that student exceeds the actual cost of attendance for that year, the amount of the basic grant shall be reduced until the combination of expected family contribution and the amount of the basic grant does not exceed the actual cost of attendance at such institution.

"(iii) no basic grant shall be awarded to a student under this subpart if the amount of that grant for that student as determined under this paragraph for any academic year is less than $200. Purusant to criteria established by the Commissioner by regulation, the institution of higher education at which a student is in attendance may award a basic grant of less than $200 upon a determination that the amount of the basic grant for that student is less than $200 because of the requirement of division (i) and that, due to exceptional circumstances, this reduced grant should be made in order to enable the student to benefit from postsecondary education.

"(iv) For the purpose of this subparagraph and subsection (b) the term 'actual cost of attendance' means, subject to regulations of the Commissioner, the actual per-student charges for tuition, fees, room and board (or expenses related to reasonable commuting), books, and an allowance for such other expenses as the Commissioner determines by regulation to be reasonably related to attendance at the institution at which the student is in attendance.

"(3)(A)(i) Not later than February 1 of each year the Commissioner shall publish in the Federal Register a schedule of expected family contributions for the succeeding academic year for various levels of family income, which, except as is otherwise provided in division (ii), together with any amendments thereto, shall become effective July 1 of that year. During the thirty-day period following such publication the Commissioner shall provide interested parties with an opportunity to present their views and make recommendations with respect to such schedule.

"(ii) The schedule of expected family contributions required by division (i) for each academic year shall be submitted to the President of the Senate and the Speaker of the House of Representatives not later than February 1 of that year. If either the Senate or the House of Representatives adopts, prior to May 1 of such year, a resolution of disapproval of such schedule, the Commissioner shall publish a new schedule of expected family contributions in the Federal Register not later than fifteen days after the adoption of such resolution of disapproval. Such new schedule shall take into consideration such recommendations as may be made in connection with such resolution and shall become effective, together with any amendments thereto, on July 1 of that year.

"(B)(i) For the purposes of this paragraph and subsection (b), the term 'family contribution' with respect to any student means the amount which the family of that student may be reasonably expected to contribute toward his postsecondary education for the academic year for which the determination under subparagraph (A) of paragraph (2) is made, as determined in accordance with regulations. In promulgating such regulations, the Commissioner shall follow the basic criteria set forth in division (ii) of this subparagraph.

"(ii) The basic criteria to be followed in promulgating regulations with respect to expected family contribution are as follows:

"(I) *The amount of the effective income of the student or the effective family income of the student's family.*

"(II) *The number of dependents of the family of the student.*

"(III) *The number of dependents of the student's family who are in attendance in a program of postsecondary education and for whom the family may be reasonably expected to contribute for their postsecondary education.*

"(IV) *The amount of the assets of the student and those of the student's family.*

"(V) *Any unusual expenses of the student or his family, such as unusual medical expenses, and those which may arise from a catastrophe.*

"(iii) *For the purposes of clause (I) of division (ii), the term 'effective family income' with respect to a student means the annual adjusted family income, as determined in accordance with regulations prescribed by the Commissioner, received by the parents or guardian of that student (or the person or persons having an equivalent relationship to such student) minus Federal income tax paid or payable with respect to such income.*

"(iv) *In determining the expected family contribution with respect to any student, any amount paid under the Social Security Act to, or on account of, the student which would not be paid if he were not a student, and one-half any amount paid the student under chapters 34 and 35 of title 38, United States Code, shall be considered as effective income for such student.*

"(C) *The Commissioner shall promulgate special regulations for determining the expected family contribution and effective family income of a student who is determined (pursuant to regulations of the Commissioner) to be independent of his parents or guardians (or the person or persons having an equivalent relationship to such student). Such special regulations shall be consistent with the basic criteria set forth in division (ii) of subparagraph (B).*

"(4)(A) *The period during which a student may receive basic grants shall be the period required for the completion of the undergraduate course of study being pursued by that student at the institution at which the student is in attendance, except that such period may not exceed four academic years unless—*

"(i) *the student is pursuing a course of study leading to a first degree in a program of study which is designed by the institution offering it to extend over five academic years; or*

"(ii) *the student is, or will be, unable to complete a course of study within four academic years because of a requirement of the institution of such course of study that the student enroll in a noncredit remedial course of study;*

in either which case such period may be extended for not more than one additional academic year.

"(B) *For the purposes of clause (ii) of subparagraph (A), a 'noncredit remedial course of study' is a course of study for which no credit is given toward an academic degree, and which is designed to increase the ability of the student to engage in an undergraduate course of study leading to such a degree.*

"(b)(1) *The Commissioner shall from time to time set dates by which students must file applications for basic grants under this subpart.*

"(2) *Each student desiring a basic grant for any year must file an application therefor containing such information and assurances as the*

Commissioner may deem necessary to enable him to carry out his functions and responsibilities under this subpart.

"(3)(A) Payments under this section shall be made in accordance with regulations promulgated by the Commissioner for such purpose, in such manner as will best accomplish the purposes of this section.

"(B)(i) If, during any period of any fiscal year, the funds available for payments under this subpart are insufficient to satisfy fully all entitlements under this subpart, the amount paid with respect to each such entitlement shall be—

"(I) in the case of any entitlement which exceeds $1,000, 75 per centum thereof;

"(II) in the case of any entitlement which exceeds $800 but does not exceed $1,000, 70 per centum thereof;

"(III) in the case of any entitlement which exceeds $600 but does not exceed $800, 65 per centum thereof; and

"(IV) in the case of any entitlement which does not exceed $600, 50 per centum thereof.

"(ii) If, during any period of any fiscal year, funds available for making payments under this subpart exceed the amount necessary to make the payments prescribed in division (i), such excess shall be paid with respect to each entitlement under this subpart in proportion to the degree to which that entitlement is unsatisfied, after payments are made pursuant to division (i).

"(iii) In the event that, at the time when payments are to be made pursuant to this subparagraph (B), funds available therefor are insufficient to pay the amounts set forth in division (i), the Commissioner shall pay with respect to each entitlement an amount which bears the same ratio to the appropriate amount set forth in division (i) as the total amount of funds so available at such time for such payments bears to the amount necessary to pay the amounts indicated in division (i) in full.

"(iv) No method of computing or manner of distribution of payments under this subpart shall be used which is not consistent with this subparagraph.

"(v) In no case shall a payment under this subparagraph be made if the amount of such payment after application of the provisions of this subparagraph is less than $50.

"(C)(i) During any fiscal year in which the provisions of subparagraph (B) apply, a basic grant to any student shall not exceed 50 per centum of the difference between the expected family contribution for that student and the actual cost of attendance at the institution in which the student is enrolled, unless sums available for making payments under this subsection for any fiscal year equal more than 75 per centum of the total amount to which all students are entitled under this subpart for that fiscal year, in which case no basic grant shall exceed 60 per centum of such difference.

"(ii) The limitation set forth in division (i) shall, when applicable, be in lieu of the limitation set forth in subparagraph (B)(i) of subsection (a)(2).

"(4) No payments may be made on the basis of entitlements established under this subpart during any fiscal year ending prior to July 1, 1975, in which—

"(A) the appropriation for making grants under subpart 2 of this part does not at least equal $130,093,000; and

"(B) the appropriation for work-study payments under section 441 of this title does not at least equal $237,400,000; and

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"(C) the appropriation for capital contributions to student loan funds under part E of this title does not at least equal $286,000,000.

"Subpart 2—Supplemental Educational Opportunity Grants

"PURPOSE; APPROPRIATIONS AUTHORIZED

"SEC. 413A. (a) It is the purpose of this subpart to provide, through institutions of higher education, supplemental grants to assist in making available the benefits of postsecondary education to qualified students who, for lack of financial means, would be unable to obtain such benefits without such a grant.

"(b)(1) For the purpose of enabling the Commissioner to make payments to institutions of higher education which have made agreements with the Commissioner in accordance with section 413C(b), for use by such institutions for payments to undergraduate students for the initial academic year of a supplemental grant awarded to them under this subpart, there are authorized to be appropriated $200,000,000 for the fiscal year ending June 30, 1973, and for each of the succeeding fiscal years ending prior to July 1, 1975. Funds appropriated pursuant to this paragraph shall be appropriated separate from any funds appropriated pursuant to paragraph (2).

"(2) In addition to the sums authorized to be appropriated by paragraph (1), there are authorized to be appropriated such sums as may be necessary for payment to institutions of higher education for use by such institutions for making continuing supplemental grants under this subpart, except that no appropriation may be made pursuant to this paragraph for any fiscal year beginning more than three years after the last fiscal year for which an appropriation is authorized under paragraph (1). Funds appropriated pursuant to this paragraph shall be appropriated separate from any funds appropriated pursuant to paragraph (1).

"(3) Sums appropriated pursuant to this subsection for any fiscal year shall be available for payments to institutions until the end of the fiscal year succeeding the fiscal year for which they were appropriated.

"(4) For the purposes of this subsection, payment for the first year of a supplemental grant shall not be considered as an initial year payment if the grant was awarded for the continuing education of a student who—

"(A) had been previously awarded a supplemental grant under this subpart (whether by another institution or otherwise), and

"(B) had received payment for any year of that supplemental grant.

"AMOUNT AND DURATION OF GRANTS

"SEC. 413B. (a)(1) From the funds received by it for such purpose under this subpart, an institution which awards a supplemental grant to a student for an academic year under this subpart shall, for such year, pay to that student an amount determined pursuant to paragraph (2).

"(2)(A)(i) The amount of the payment to any student pursuant to paragraph (1) shall be equal to the amount determined by the institution to be needed by that student to enable him to pursue a course of study at the institution, except that such amount shall not exceed—

"(I) $1,500, or

"(II) one-half the sum of the total amount of student financial aid provided to such student by such institution,

whichever is the lesser.

"(ii) No student shall be paid during all the academic years he is pursuing his undergraduate course of study at one or more institutions of higher education in excess of $4,000 or in the case of any student to whom the provisions of subsection (b)(1)(B) apply, $5,000.

"(iii) For the purposes of clause (II) of division (i), the term 'student financial aid' includes assistance payments to the student under subpart 1 of this part and parts C and E of this title, and any assistance provided to a student under any scholarship program established by a State or a private institution or organization, as determined in accordance with regulations, shall be deemed to be aid provided such student by the institution.

"(B) If the amount determined under division (i) of subparagraph (A) with respect to a student for any academic year is less than $200, no payment shall be made to that student for that year.

"(C) Subject to subparagraphs (A) and (B), the Commissioner shall prescribe, for the guidance of institutions, basic criteria and schedules for the determination of the amount of need to be determined under division (i) of subparagraph (A). Such criteria and schedules shall take into consideration the objective of limiting assistance under this subpart to students of financial need, and such other factors related to determining the need of students for financial assistance as the Commissioner deems relevant, but such criteria or schedules shall not disqualify an applicant on account of his earned income if income from other sources in the amount of such earned income would not disqualify him.

"(b)(1)(A) A student eligible for a supplemental grant may be awarded such a grant under this subpart for each academic year of the period required for completion by the recipient of his undergraduate course of study in the institution of higher education from which he received such grant.

"(B) A student may not receive supplemental grants under this subpart for a period of more than four academic years, except that in the case of a student—

"(i) who is pursuing a course of study leading to a first degree in a program of study which is designed by the institution offering it to extend over five academic years, or

"(ii) who is because of his particular circumstances determined by the institution to need an additional year to complete a course of study normally requiring four academic years,

such period may be extended for not more than one additional academic year.

"(2) A supplemental grant awarded under this subpart shall entitle the student to whom it is awarded to payments pursuant to such grant only if—

"(A) that student is maintaining satisfactory progress in the course of study he is pursuing, according to the standards and practices of the institution awarding the grant, and

"(B) that student is devoting at least half-time to that course of study, during the academic year, in attendance at that institution.

Failure to be in attendance at the institution during vacation periods or periods of military service, or during other periods during which the Commissioner determines, in accordance with regulations, that there is good cause for his nonattendance, shall not render a student ineligible for a supplemental grant; but no payments may be made to a student during any such period of failure to be in attendance or period of nonattendance.

"SELECTION OF RECIPIENTS; AGREEMENTS WITH INSTITUTIONS

"SEC. 413C. (a)(1) An individual shall be eligible for the award of a supplemental grant under this subpart by an institution of higher education which has made an agreement with the Commissioner pursuant to subsection (b), if the individual makes application at the time and in the manner prescribed by that institution, in accordance with regulations of the Commissioner.

"(2) From among those who are eligible for supplemental grants through an institution which has an agreement with the Commissioner under subsection (b) for each fiscal year, the institution shall, in accordance with such agreement under subsection (b), and within the amount allocated to the institution for that purpose for that year under section 413D(b) select individuals who are to be awarded such grants and determine, in accordance with section 413B, the amounts to be paid to them. An institution shall not award a supplemental grant to an individual unless it determines that—

"(A) he has been accepted for enrollment as an undergraduate student at such institution or, in the case of a student already attending such institution, is in good standing there as an undergraduate;

"(B) he shows evidence of academic or creative promise and capability of maintaining good standing in this course of study;

"(C) he is of exceptional financial need; and

"(D) he would not, but for a supplemental grant, be financially able to pursue a course of study at such institution.

For the purposes of clause (C) of this paragraph, in determining financial need, the expected family contribution shall be considered to be the contribution expected in the specific circumstances of the student as determined by the student financial aid officer at the institution in accordance with criteria promulgated by the Commissioner. Any calculation of the ability of a family to contribute shall include consideration of (i) family assets which should reasonably be available for such purpose, (ii) the number of children in the family, (iii) the number of children attending institutions of higher education, (iv) any catastrophic illness in the family, (v) any educational expenses of other dependent children in the family, and (vi) other circumstances affecting the student's financial need.

"(b) An institution of higher education which desires to obtain funds for supplemental grants under this subpart shall enter into an agreement with the Commissioner. Such agreement shall—

"(1) provide that funds received by the institution under this subpart will be used by it solely for the purposes specified in, and in accordance with, the provisions of this subpart and of section 463;

"(2) provide that, in determining whether an individual meets the requirements of clause (C) of paragraph (2) of subsection (a), the institution will—

"(A) consider the source of such individual's income and that of any individual or individuals upon whom he relies primarily for support, and

"(B) make appropriate review of the assets of the student and of such individuals;

"(3) provide that the institution, in cooperation with other eligible institutions where appropriate, will make vigorous efforts to identify qualified youths of exceptional financial need, and to encourage

them to continue their education beyond secondary school through such programs and activities as—

"(A) establishing or strengthening close working relationships with secondary school principals and guidance and counseling personnel, with a view toward motivating students to complete secondary school and to pursue postsecondary school educational opportunities, and

"(B) making, to the extent feasible, conditional commitments for student financial aid by such institution to qualified secondary school students, who but for such grants would be unable to obtain the benefits of higher education, with special emphasis on students enrolled in grade 11 or lower grades who show evidences of academic or creative promise;

"(4) provide that the institution will meet the requirements of section 464;

"(5) include provisions designed to make grants under this subpart reasonably available, to the extent of available funds, to all eligible students in attendance at the institution;

"(6) include such other provisions as may be necessary to protect the financial interest of the United States and promote the purposes of this subpart.

"APPORTIONMENT AND ALLOCATION OF FUNDS

"SEC. 413D. (a)(1)(A) From 90 per centum of the sums appropriated pursuant to section 413A(b)(1) for any fiscal year, the Commissioner shall apportion to each State an amount which bears the same ratio to such sums as the number of persons enrolled full-time and the full-time equivalent of the number of persons enrolled part time in institutions of higher education in such State bears to the total number of such persons in all the States. The remainder of the sums so appropriated shall be apportioned among the States by the Commissioner in accordance with equitable criteria which he shall establish and which shall be designed to achieve a distribution of the sums so appropriated among the States which will most effectively carry out the purpose of this subpart, except that where any State's apportionment under the first sentence for a fiscal year is less than its allotment under the first sentence of section 401(b) of this Act for the fiscal year ending June 30, 1972, before he makes any other apportionments under this sentence, the Commissioner shall apportion sufficient additional sums to such State under this sentence to make the State's apportionment for that year under this paragraph equal to its allotment for the fiscal year ending June 30, 1972, under such first sentence. Sums apportioned to a State under the preceding sentence shall be consolidated with, and become a part of, its apportionment from the same appropriation under the first sentence of this paragraph.

"(B) If the Commissioner determines that the sums apportioned to any State under subparagraph (A) for any fiscal year exceed the aggregate of the amounts that he determines to be required under subsection (b) for that fiscal year for institutions of higher education in that State, the Commissioner shall reapportion such excess, from time to time, on such date or dates as he shall fix, to other States in such manner as the Commissioner determines will best assist in achieving the purposes of this subpart.

"(2) Sums appropriated pursuant to section 413A(b)(2) for any fiscal year shall be apportioned among the States in such manner as the Commis-

sioner determines will best achieve the purposes for which such sums were appropriated.

"(b)(1)(A) The Commissioner shall, from time to time, set dates before which institutions in any State must file applications for allocation, to such institutions, of supplemental grant funds from the apportionment to that State (including any reapportionment thereto) for any fiscal year pursuant to subsection (a)(1).

"(B)(i) From the sums apportioned (or reapportioned) to any State, the Commissioner shall allocate amounts to institutions which have submitted applications pursuant to subparagraph (A).

"(ii) Allocations under division (i) by the Commissioner to such institutions shall be made in accordance with equitable criteria established by the Commissioner by regulation. Such criteria shall be designed to achieve such distribution of supplemental grant funds among such institutions within a State as will most effectively carry out the purposes of this subpart.

"(2) The Commissioner shall, in accordance with regulations, allocate to such institutions in any State, from funds apportioned or reapportioned pursuant to subsection (a)(2), funds to be used as the supplemental grants specified in section 413A(b)(2).

"(3) Payments shall be made from allocations under this subsection as needed.

"Subpart 3—Grants to States for State Student Incentives

"PURPOSE; APPROPRIATIONS AUTHORIZED

"SEC. 415A. (a) It is the purpose of this subpart to make incentive grants available to the States to assist them in providing grants to eligible students in attendance at institutions of higher education.

"(b)(1) There are hereby authorized to be appropriated $50,000,000 for the fiscal year ending June 30, 1973, and for each of the succeeding fiscal years ending prior to July 1, 1975, for payments to the States for grants to students who have not previously been awarded such grants.

"(2) In addition to the sums authorized to be appropriated pursuant to paragraph (1), there is authorized to be appropriated such sums as may be necessary for making payments to States to continue their grants to students made with incentive grants received by such States for previous years pursuant to paragraph (1).

"(3) Sums appropriated pursuant to paragraph (1) for any fiscal year shall remain available for payments to States for the award of student grants under this subpart until the end of the fiscal year succeeding the fiscal year for which such sums were appropriated.

"(4) For the purposes of this subsection, a payment on the first year of a student grant with respect to any student who has not been awarded a grant from appropriations pursuant to paragraph (1) during any previous year shall be considered, subject to regulations of the Commissioner, an initial award to be paid from appropriations pursuant to paragraph (1).

"ALLOTMENT AMONG STATES

"SEC. 415B. (a)(1)(A) From the sums appropriated pursuant to section 415A(b)(1) for any fiscal year, the Commissioner shall allot to each State an amount which bears the same ratio to such sums as the number of students in attendance at institutions of higher education in

such State bears to the total number of such students in such attendance in all the States.

"(B) For the purposes of this paragraph, the number of students in attendance at institutions of higher education in a State and in all the States shall be determined by the Commissioner for the most recent year for which satisfactory data are available to him.

"(2) The amount of any State's allotment under paragraph (1) for any fiscal year which the Commissioner determines will not be required for such fiscal year for the State student grant incentive program of that State shall be available for reallotment from time to time, on such dates during such year as the Commissioner may fix, to other States in proportion to the original allotments to such States under such part for such year, but with such proportionate amount for any of such States being reduced to the extent it exceeds the sum the Commissioner estimates such State needs and will be able to use for such year for carrying out the State plan; and the total of such reductions shall be similarly reallotted among the States whose proportionate amounts were not so reduced. Any amount reallotted to a State under this part during a year from funds appropriated pursuant to section 415A(b)(1) shall be deemed part of its allotment under paragraph (1) for such year.

"(b) Sums appropriated pursuant to section 415A(b)(2) for any fiscal year shall be allotted among the States in such manner as the Commissioner determines will best achieve the purposes for which such sums were appropriated.

"(c) The Commissioner shall make payments for continuing incentive grants only to those States which continue to meet the requirements of section 415C(b) (1), (2), (3), and (5).

"APPLICATIONS FOR STATE STUDENT INCENTIVE GRANT PROGRAMS

"SEC. 415C. (a) A State which desires to obtain a payment under this subpart for any fiscal year shall submit an application therefor through the State agency administering its program of student grants, at such time or times, and containing such information as may be required by, or pursuant to, regulation for the purpose of enabling the Commissioner to make the determinations required under this subpart.

"(b) From a State's allotment under this subpart for any fiscal year the Commissioner is authorized to make payments to such State for paying 50 per centum of the amount of student grants pursuant to a State program which—

"(1) is administered by a single State agency;

"(2) provides that such grants will be in amounts not in excess of $1,500 per academic year for attendance on a full-time basis as an undergraduate at an institution of higher education;

"(3) provides for the selection of recipients of such grants on the basis of substantial financial need determined annually on the basis of criteria established by the State and approved by the Commissioner;

"(4) provides for the payment of the non-Federal portion of such grants from funds supplied by such State which represent an additional expenditure for such year by such State for grants for students attending institutions of higher education over the amount expended by such State for such grants, if any, during the second fiscal year preceding the fiscal year in which such State initially received funds under this subpart; and

"(5) provides (A) for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the State agency under this subpart, and (B) for the making of such reports, in such form and containing such information, as may be reasonably necessary to enable the Commissioner to perform his functions under this subpart.

"(c) Upon his approval of any application for a payment under this subpart, the Commissioner shall reserve from the applicable allotment (including any applicable reallotment) available therefor, the amount of such payment, which (subject to the limits of such allotment or reallotment) shall be equal to the Federal share of the cost of the student incentive grants covered by such application. The Commissioner shall pay such reserved amount, in advance or by way of reimbursement, and in such installments as he may determine. The Commissioner's reservation of any amount under this section may be amended by him, either upon approval of an amendment of the application or upon revision of the estimated cost of the student grants with respect to which such reservation was made, and in the event of an upward revision of such estimated cost approved by him he may reserve the Federal share of the added cost only from the applicable allotment (or reallotment) available at the time of such approval.

"ADMINISTRATION OF STATE PROGRAMS; JUDICIAL REVIEW

"SEC. 415D. (a)(1) The Commissioner shall not finally disapprove any application for a State program submitted under section 415C, or any modification thereof, without first affording the State agency submitting the program reasonable notice and opportunity for a hearing.

"(2) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the State agency administering a State program approved under this subpart, finds—

"(A) that the State program has been so changed that it no longer complies with the provisions of this subpart, or

"(B) that in the administration of the program there is a failure to comply substantially with any such provisions,

the Commissioner shall notify such State agency that the State will not be regarded as eligible to participate in the program under this subpart until he is satisfied that there is no longer any such failure to comply.

"(b)(1) If any State is dissatisfied with the Commissioner's final action with respect to the approval of its State program submitted under this subpart or with his final action under subsection (a), such State may appeal to the United States court of appeals for the circuit in which such State is located. The summons and notice of appeal may be served at any place in the United States. The Commissioner shall forthwith certify and file in the court the transcript of the proceedings and the record on which he based his action.

"(2) The findings of fact by the Commissioner, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall certify to the court the transcript and record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"(3) The court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court

shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in title 28, United States Code, section 1254.

"Subpart 4—Special Programs for Students From Disadvantaged Backgrounds

"PROGRAM AUTHORIZATION

"SEC. 417A. (a) The Commissioner shall, in accordance with the provisions of this subpart, carry out a program designed to identify qualified students from low-income families, to prepare them for a program of postsecondary education, and to provide special services for such students who are pursuing programs of postsecondary education.

"(b) For the purpose of enabling the Commissioner to carry out this subpart, there are authorized to be appropriated $100,000,000 for the fiscal year ending June 30, 1973, and for each of the succeeding fiscal years ending prior to July 1, 1975.

"AUTHORIZED ACTIVITIES

"SEC. 417B. (a) The Commissioner is authorized (without regard to section 3709 of the Revised Statutes (41 U.S.C. 5)) to make grants to, and contracts with, institutions of higher education, including institutions with vocational and career education programs, combinations of such institutions, public and private agencies and organizations (including professional and scholarly associations), and, in exceptional cases, secondary schools and secondary vocational schools, for planning, developing, or carrying out within the States one or more of the services described in section 417A(a).

"(b) Services provided through grants and contracts under this subpart shall be specifically designed to assist in enabling youths from low-income families who have academic potential, but who may lack adequate secondary school preparation or who may be physically handicapped, to enter, continue, or resume a program of postsecondary education, including—

"(1) programs, to be known as 'Talent Search', designed to—

"(A) identify qualified youths of financial or cultural need with an exceptional potential for postsecondary educational training and encourage them to complete secondary school and undertake postsecondary educational training,

"(B) publicize existing forms of student financial aid, including aid furnished under this title, and

"(C) encourage secondary-school or college dropouts of demonstrated aptitude to reenter educational programs, including postsecondary-school programs;

"(2) programs, to be known as 'Upward Bound', (A) which are designed to generate skills and motivation necessary for success in education beyond high school and (B) in which enrollees from low-income backgrounds and with inadequate secondary-school preparation participate on a substantially full-time basis during all or part of the program;

"(3) programs, to be known as 'Special Services for Disadvantaged Students', of remedial and other special services for students with

academic potential (A) who are enrolled or accepted for enrollment at the institution which is the beneficiary of the grant or contract, and (B) who, by reason of deprived educational, cultural, or economic background, or physical handicap, are in need of such services to assist them to initiate, continue, or resume their postsecondary education; and

"(4) a program of paying up to 75 per centum of the cost of establishing and operating Educational Opportunity Centers which—

"(A) serve areas with major concentrations of low-income populations by providing, in coordination with other applicable programs and services—

"(i) information with respect to financial and academic assistance available for persons in such areas desiring to pursue a program of postsecondary education;

"(ii) assistance to such persons in applying for admission to institutions, at which a program of postsecondary education is offered, including preparing necessary applications for use by admission and financial aid officers; and

"(iii) counseling services and tutorial and other necessary assistance to such persons while attending such institutions; and

"(B) serve as recruiting and counseling pools to coordinate resources and staff efforts of institutions of higher education and of other institutions offering programs of postsecondary education, in admitting educationally disadvantaged persons.

The portion of the cost of any project assisted under clause (4) in the preceding sentence which is borne by the applicant shall represent an increase in expenditure by such applicant for the purposes of such project.

"(c) Enrollees who are participating on an essentially full-time basis in one or more services being provided under this section may be paid stipends, but not in excess of $30 per month except in exceptional cases as determined by the Commissioner.".

(2) The amendment made by paragraph (1) shall be effective after June 30, 1972.

(c) Section 461 of the Higher Education Act of 1965 is amended by striking out subsection (b) thereof and inserting in lieu thereof the following:

"(b)(1) For the purposes of this title, except part B, the term 'institution of higher education' includes any school of nursing; and any proprietary institution of higher education which has an agreement with the Commissioner containing such terms and conditions as the Commissioner determines to be necessary to insure that the availability of assistance to students at the school under this title has not resulted, and will not result, in an increase in the tuition, fees, or other charges to such students.

"(2) For the purposes of this subsection:

"(A) The term 'school of nursing' means a public or other nonprofit collegiate or associate degree school of nursing.

"(B) The term 'collegiate school of nursing' means a department, division, or other administrative unit in a college or university which provides primarily or exclusively an accredited program of education in professional nursing and allied subjects leading to the degree of bachelor of arts, bachelor of science, bachelor of nursing, or to an equivalent degree, or to a graduate degree in nursing.

"(C) The term 'associate degree school of nursing' means a department, division, or other administrative unit in a junior college,

community college, college, or university which provides primarily or exclusively an accredited two-year program of education in professional nursing and allied subjects leading to an associate degree in nursing or to an equivalent degree.

"(D) The term 'accredited' when applied to any program of nurse education means a program accredited by a recognized body or bodies approved for such purpose by the Commissioner.

"(3) For the purposes of this subsection, the term 'proprietary institution of higher education' means a school (A) which provides not less than a six-month program of training to prepare students for gainful employment in a recognized occupation, (B) which meets the requirements of clauses (1) and (2) of section 1201(a), (C) which does not meet the requirement of section clause (4) of section 1201(a), (D) which is accredited by a nationally recognized accrediting agency or association approved by the Commissioner for this purpose, and (E) which has been in existence for at least two years. For purposes of this paragraph, the Commissioner shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authority as to the quality of training offered.

"(c) For the purposes of this title—

"(1) the term 'academic year' shall be defined by the Commissioner by regulations; and

"(2) the term 'in attendance', when applied to a student, means a student who attends an institution of higher education at least on a half-time basis, as defined by the Commissioner by regulation.".

(d)(1) Section 1201 of the Higher Education Act of 1965 is amended by adding at the end thereof the following new paragraph:

"(l) The term 'school or department of divinity' means an institution or a department or a branch of an institution the program of instruction of which is designed for the education of students (A) to prepare them to become ministers of religion or to enter upon some other religious vocation (or to provide continuing training for any such vocation), or (B) to prepare them to teach theological subjects.".

(2) The Higher Education Act of 1965 is amended by striking out the following provisions:

(A) The second sentence of section 113;
(B) The second sentence of section 207;
(C) The second sentence of section 526;
(D) The second sentence of section 609; and
(E) The second sentence of section 923.

INSURED STUDENT LOANS—EXTENSION OF PROGRAM

SEC. 132. (a)(1) The first sentence of section 424(a) of the Higher Education Act of 1965 is amended to read as follows: "The total principal amount of new loans made and installments paid pursuant to lines of credit (as defined in section 435) to students covered by Federal loan insurance under this part shall not exceed $1,400,000,000 for the fiscal year ending June 30, 1972, $1,600,000,000 for the fiscal year ending June 30, 1973, $1,800,000,000 for the fiscal year ending June 30, 1974, and $2,000,000,000 for the fiscal year ending June 30, 1975."

(2) Such section 424(a) is further amended by striking out "June 30, 1975" and inserting in lieu thereof "June 30, 1979".

(b) Paragraph (4) of section 428(a) of such Act is amended (1) by striking out "June 30, 1971" and inserting in lieu thereof "June 30, 1975" and (2) by striking out "shall end at the close of June 30, 1975" and inserting in lieu thereof "shall end at the close of June 30, 1979".

(c) Section 433(c) of such Act is amended by striking out "two succeeding fiscal years" and inserting in lieu thereof "succeeding fiscal years ending prior to July 1, 1975".

(d) The amendments made by this section shall be effective after June 30, 1971.

INCREASE IN LOAN LIMITATION IN EXCEPTIONAL CASES

SEC. 132A. (a)(1) Section 425(a) of the Higher Education Act of 1965 is amended by striking out "$1,500" and inserting in lieu thereof the following: "$2,500, except in cases where the Commissioner determinees, pursuant to regulations prescribed by him, that a higher amount is warranted in order to carry out the purposes of this part with respect to students engaged in specialized training requiring exceptionally high costs of education".

(2) The second sentence of section 425(a) of such Act is amended by inserting before the period a comma and the following: "in the case of any student who has not successfully completed a program of undergraduate education, and $10,000 in the case of any graduate or professional student (as defined by regulations of the Commissioner and including any loans which are insured by the Commissioner under this part or by a State or nonprofit institution or organization with which the Commissioner has an agreement under section 428(b) made to such person before he became a graduate or professional student)".

(b)(1) Section 428(1)(A) of such Act is amended (1) by striking out "$1,500" and inserting in lieu thereof the following: "$2,500, except in those cases where the Commissioner determines, pursuant to regulations prescribed by him, that a higher amount is warranted in order to carry out the purposes of this part with respect to students engaged in specialized training requiring exceptionally high costs of education)".

(2) Section 428(b)(1)(a) of such Act is further amended by inserting before the semicolon the following: "in the case of any student who has successfully completed a program of undergraduate education, and $10,000 in the case of any graduate or professional student (as defined by regulations of the Commissioner and including any loans which are insured by the Commissioner under this part or by a State or nonprofit institution or organization with which the Commissioner has an agreement under this part made to such person before he became a graduate or professional student).".

(c) The amendments made by subsections (a) and (b) shall be effective with respect to loans made after the enactment of this Act, and insured by the Commissioner under part B of title IV of the Higher Education Act of 1965, or by a State or nonprofit private institution or organization with which the Commissioner has an agreement under section 428(b) of such part.

INSURANCE LIABILITY

SEC. 132B. (a) Section 425(b) of the Higher Education Act of 1965 is amended to read as follows:

"(b) The insurance liability on any loan insured by the Commissioner under this part shall be 100 per centum of the unpaid balance of the principal amount of the loan, plus interest. The full faith and credit of

the United States is pledged to the payment of all amounts which may be required to be paid under the provisions of section 430 or 437 of this part.".

(b) Section 427(a)(2)(D) of such Act is amended by striking out the following: "(but without thereby increasing the insurance liability under this part)".

(c) The last sentence of section 430(a) of such Act is amended by striking out "of the loan (other than interest added to principal)" and inserting in lieu thereof the following: "and interest".

AMENDMENTS TO INTEREST SUBSIDY PROVISIONS

SEC. 132C. (a) Section 428(a)(1) of the Higher Education Act of 1965 is amended to read as follows:

"(1) Each student who has received a loan for study at an eligible institution—

"(A) which is insured by the Commissioner under this part;

"(B) which was made under a State student loan program (meeting criteria prescribed by the Commissioner), and which was contracted for, and paid to the student, within the period specified by paragraph (4); or

"(C) which is insured under a program of a State or of a non-profit private institution or organization which was contracted for, and paid to the student, within the period specified in paragraph (4), and which—

"(i) in the case of a loan insured prior to July 1, 1967, was made by an eligible lender and is insured under a program which meets the requirements of subparagraph (E) of subsection (b)(1) and provides that repayment of such loan shall be in installments beginning not earlier than sixty days after the student ceases to pursue a course of study (as described in subparagraph (D) of subsection (b)(1)) at an eligible institution, or

"(ii) in the case of a loan insured after June 30, 1967, is insured under a program covered by an agreement made pursuant to subsection (b),

shall be entitled to have paid on his behalf and for his account to the holder of the loan a portion of the interest on such loan (in accordance with paragraph (2) of this subsection) only if at the time of execution of the note or written agreement evidencing such loan his adjusted family income is—

"(I) less than $15,000 and the eligible institution at which he has been accepted for enrollment or, in the case of a student who is attending such an institution, at which he is in good standing (as determined by such institution)—

"(α) has determined the amount of need for such loan by subtracting from the estimated cost of his attendance at such institution (which, for purposes of this paragraph, means the cost, for the period for which the loan is sought, of tuition, fees, room and board, and reasonable commuting costs) the expected family contribution with respect to such student plus any other resources or student aid reasonably available to such student, and

"(β) has provided the lender with a statement evidencing the determination made under clause (I)(α) of this paragraph and recommending a loan in the amount of such need; or

"(II) equal to or more than $15,000 and the eligible institution at which he has been accepted for enrollment or, in the case of a student who is attending such an institution, at which he is in good standing (as determined by such institution)—

"(α) has determined that he is in need of a loan to attend such institution,

"(β) has determined the amount of such need by subtracting from the estimated cost of attendance at such institution the expected family contribution with respect to such student plus any other resources or student aid reasonably available to such student, and

"(γ) has provided the lender with a statement evidencing the determination made under clause (II)(β) of this paragraph and recommending a loan in the amount of such need.

In addition, the Commissioner shall pay an administrative cost allowance in the amount established by paragraph (2)(B) of this subsection with respect to loans to any student without regard to the borrower's need. For the purposes of this paragraph, the adjusted family income of a student shall be determined pursuant to regulations of the Commissioner in effect at the time of the execution of the note or written agreement evidencing the loan. Such regulations shall provide for taking into account such factors, including family size, as the Commissioner deems appropriate. In the absence of fraud by the lender, such determination of the need of a student under this paragraph shall be final insofar as it concerns the obligation of the Commissioner to pay the holder of a loan a portion of the interest on the loan.".

(b) Section 428(b)(1)(H) of such Act is amended to read as follows:

"(H) provides that the benefits of the loan insurance program will not be denied any student who has been determined (pursuant to section 428(a)(1)) to be in need of a loan except in the case of loans made by an instrumentality of a State or eligible institution,".

(c) Section 427(a)(1) of such Act is amended by striking out, "and (C) has provided the lender with a statement of the institution which sets forth a schedule of the tuition and fees applicable to that student and its estimate of the cost of board and room for such a student".

TECHNICAL AMENDMENTS

SEC. 132D. Section 437 of such Act is amended to read as follows:

"REPAYMENT BY THE COMMISSIONER OF LOANS OF DECEASED OR DISABLED BORROWERS

"SEC. 437. If a student borrower who has received a loan described in clause (A), (B), or (C) of section 428(a)(1) dies or becomes permanently and totally disabled (as determined in accordance with regulations of the Commissioner), then the Commissioner shall discharge the borrower's liability on the loan by repaying the amount owed on the loan.".

(b) Paragraph (1) of section 428(b) is amended (1) by striking out "and" at the end of clause (J) thereof, (2) by striking out the period at the end of clause (K) and inserting "; and" in lieu thereof, and (3) by adding at the end of such paragraph the following new clause:

"(L) provides that periodic installments of principal need not be paid, but interest shall accrue and be paid during any period (i) during which the borrower is pursuing a full-time course of study at

an eligible institution, (ii) not in excess of three years during which the borrower is a member of the Armed Forces of the United States, (iii) not in excess of three years during which the borrower is in service as a volunteer under the Peace Corps Act, or (iv) not in excess of three years during which the borrower is in service as a full-time volunteer under title VIII of the Economic Opportunity Act of 1964."

(c) Section 428(e) of such Act is repealed.

(d) Paragraph (1) of subsection (c) of such section 428 is amended by striking out "adjusted family income of the borrower" and inserting in lieu thereof "the borrower's lack of need".

(e) Section 434 of such Act is amended by striking out "up to 15 per centum of their assets,".

ELIGIBILITY OF INSTITUTIONS

SEC. 132E. (a) Part B of title IV of the Higher Education Act of 1965 is amended by adding at the end thereof the following new section:

"ELIGIBILITY OF INSTITUTIONS

"SEC. 438. (a) Notwithstanding any other provision of this part, the Commissioner is authorized to prescribe such regulations as may be necessary to provide for—

"(1) a fiscal audit of an eligible institution with regard to any funds obtained from a student who has received a loan insured under this part, or insured by a State or nonprofit private institution or organization with which the Commissioner has an agreement under section 428(b);

"(2) the establishment of reasonable standards of financial responsibility and appropriate institutional capability for the administration by an eligible institution of a program of student financial aid with respect to funds obtained from a student who has received a loan insured under this part, or insured by a State or nonprofit private institution or organization with which the Commissioner has an agreement under section 428(b);

"(3) the limitation, suspension, or termination of the eligibility under this part of any otherwise eligible institution, whenever the Commissioner has determined, after notice and affording an opportunity for hearing, that such institution has violated or failed to carry out any regulation prescribed under this part.

"(b) The Commissioner shall publish a list of State agencies which he determines to be reliable authority as to the quality of public postsecondary vocational education in their respective States for the purpose of determining eligibility for all Federal student assistance programs."

(b) The amendment made by subsection (a) shall be effective on and after the sixtieth day following the enactment of this Act.

SAVINGS PROVISION

SEC. 132F. The amendments made by sections 132, 132A, 132B, 132C, and 132D, shall not be effective with respect to any loan made after the date of enactment of this Act, in whole or in part, to consolidate or convert a loan made or contracted for prior to its effective date.

STUDENT LOAN MARKETING ASSOCIATION

SEC. 133. (a) Part B of title IV of the Higher Education Act of 1965 is further amended by adding at the end thereof the following new section:

"STUDENT LOAN MARKETING ASSOCIATION

"SEC. 439. (a) The Congress hereby declares that it is the purpose of this section to establish a Government-sponsored private corporation which will be financed by private capital and which will serve as a secondary market and warehousing facility for insured student loans, insured by the Commissioner under this part or by a State or nonprofit private institution or organization with which the Commissioner has an agreement under section 428(b), and which will provide liquidity for student loan investments.

"(b) (1) There is hereby created a body corporate to be known as the Student Loan Marketing Association (hereinafter referred to as the 'Association'). The Association shall have succession until dissolved. It shall maintain its principal office in the District of Columbia and shall be deemed, for purposes of venue in civil actions, to be a resident thereof. Offices may be established by the Association in such other place or places as it may deem necessary or appropriate for the conduct of its business.

"(2) The Association, including its franchise, capital, reserves, surplus, mortgages, or other security holdings, and income shall be exempt from all taxation now or hereafter imposed by any State, territory, possession, Commonwealth, or dependency of the United States, or by the District of Columbia, or by any county, municipality, or local taxing authority, except that any real property of the Association shall be subject to State, territorial, county, municipal, or local taxation to the same extent according to its value as other real property is taxed.

"(3) There is hereby authorized to be appropriated to the Secretary of Health, Education, and Welfare $5,000,000 for making advances for the purpose of helping to establish the Association. Such advances shall be repaid within such period as the Secretary may deem to be appropriate in light of the maturity and solvency of the Association. Such advances shall bear interest at a rate not less than (A) a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the maturity of such advances, adjusted to the nearest one-eighth of 1 per centum, plus (B) an allowance adequate in the judgment of the Secretary to cover administrative costs and probable losses. Repayments of such advances shall be deposited into miscellaneous receipts of the Treasury.

"(c)(1) The Association shall have a Board of Directors which shall consist of twenty-one persons, one of whom shall be designated Chairman by the President.

"(2) An interim Board of Directors shall be appointed by the President, one of whom he shall designate as interim Chairman. The interim Board shall consist of twenty-one members, seven of whom shall be representative of banks or other financial institutions which are insured lenders pursuant to this section, seven of whom shall be representative of educational institutions, and seven of whom shall be representative of the general public. The interim Board shall arrange for an initial offering of common and preferred stocks and take whatever other actions are necessary to proceed with the operations of the Association.

"(3) When in the judgment of the President, sufficient common stock of the Association has been purchased by educational institutions and banks or other financial institutions, the holders of common stock which are educational institutions shall elect seven members of the Board of Directors and the holders of common stock which are banks or other financial institutions shall elect seven members of the Board of Directors. The President shall appoint the remaining seven directors, who shall be representative of the general public.

"(4) At the time the events described in paragraph (3) have occurred, the interim Board shall turn over the affairs of the Association to the regular Board so chosen or appointed.

"(5) The directors appointed by the President shall serve at the pleasure of the President and until their successors have been appointed and have qualified. The remaining directors shall each be elected for a term ending on the date of the next annual meeting of the common stockholders of the Association, and shall serve until their successors have been elected and have qualified. Any appointive seat on the Board which becomes vacant shall be filled by appointment of the President. Any elective seat on the Board which becomes vacant after the annual election of the directors shall be filled by the Board, but only for the unexpired portion of the term.

"(6) The Board of Directors shall meet at the call of its Chairman, but at least semiannually. The Board shall determine the general policies which shall govern the operations of the Association. The Chairman of the Board shall, with the approval of the Board, select, appoint, and compensate qualified persons to fill the offices as may be provided for in the bylaws, with such executive functions, powers, and duties as may be prescribed by the bylaws or by the Board of Directors, and such persons shall be the executive officers of the Association and shall discharge all such executive functions, powers, and duties.

"(d)(1) The Association is authorized, subject to the provisions of this section, pursuant to commitments or otherwise, to make advances on the security of, purchase, service, sell, or otherwise deal in, at prices and on terms and conditions determined by the Association, student loans which are insured by the Commissioner under this part or by a State or nonprofit private institution or organization with which the Commissioner has an agreement under section 428(b).

"(2) Any warehousing advance made under paragraph (1) of this subsection shall not exceed 80 per centum of the face amount of an insured loan. The proceeds from any such advance shall be invested in additional insured student loans.

"(e) The Association, pursuant to such criteria as the Board of Directors may prescribe, shall make advances on security or purchase student loans pursuant to subsection (d) only after the Association is assured that the lender (A) does not discriminate by pattern or practice against any particular class or category of students by requiring that, as a condition to the receipt of a loan, the student or his family maintain a business relationship with the lender, except that this clause shall not apply in the case of a loan made by a credit union, savings and loan association, mutual savings bank, institution of higher education or any other lender with less than $50,000,000 in deposits, and (B) does not discriminate on the basis of race, sex, color, creed, or national origin.

"(f)(1) The Association shall have common stock having a par value of $100 per share which may be issued only to lenders under this part, pertaining to guaranteed student loans, who are qualified as insured lenders

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under this part or who are eligible institutions as defined in section 435(a) (other than an institution outside the United States).

"(2) Each share of common stock shall be entitled to one vote with rights of cumulative voting at all elections of directors. Voting shall be by classes as described in subsection (c)(3).

"(3) The common stock of the Association shall be transferable only as may be prescribed by regulations of the Secretary of Health, Education, and Welfare, and, as to the Association, only on the books of the Association. The Secretary of Health, Education, and Welfare shall prescribe the maximum number of shares of common stock the Association may issue and have outstanding at any one time.

"(4) To the extent that net income is earned and realized, subject to subsection (g)(2), dividends may be declared on common stock by the Board of Directors. Such dividends as may be declared by the Board shall be paid to the holders of outstanding shares of common stock, except that no such dividends shall be payable with respect to any share which has been called for redemption past the effective date of such call.

"(g)(1) The Association is authorized, with the approval of the Secretary of Health, Education, and Welfare, to issue nonvoting preferred stock with a par value of $100 per share. Any preferred share issued shall be freely transferable, except that, as to the Association, it shall be transferred only on the books of the Association.

"(2) The holders of the preferred shares shall be entitled to such rate of cumulative dividends and such shares shall be subject to such redemption or other conversion provisions, as may be provided for at the time of issuance. No dividends shall be payable on any share of common stock at any time when any dividend is due on any share of preferred stock and has not been paid.

"(3) In the event of any liquidation, dissolution, or winding up of the Association's business, the holders of the preferred shares shall be paid in full at par value thereof, plus all accrued dividends, before the holders of the common shares receive any payment.

"(h)(1) The Association is authorized with the approval of the Secretary of Health, Education, and Welfare and the Secretary of the Treasury to issue and have outstanding obligations having such maturities and bearing such rate or rates of interest as may be determined by the Association. Such obligations may be redeemable at the option of the Association before maturity in such manner as may be stipulated therein.

"(2) The Secretary of Health, Education, and Welfare is authorized, prior to July 1, 1982, to guarantee payment when due of principal and interest on obligations issued by the Association in an aggregate amount determined by the Secretary in consultation with the Secretary of the Treasury.

"(3) To enable the Secretary of Health, Education, and Welfare to discharge his responsibilities under guarantees issued by him, he is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions, as may be prescribed by the Secretary of Health, Education, and Welfare with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the months preceding the issuance of the notes or other obligations. The Secretary of the Treasury

is authorized and directed to purchase any notes and other obligations issued hereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act, as amended, are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. There is authorized to be appropriated to the Secretary of Health, Education, and Welfare such sums as may be necessary to pay the principal and interest on the notes or obligations issued by him to the Secretary of the Treasury.

"(i) The Association shall have power—

"(1) to sue and be sued, complain and defend, in its corporate name and through its own counsel;

"(2) to adopt, alter, and use the corporate seal, which shall be judicially noticed;

"(3) to adopt, amend, and repeal by its Board of Directors, bylaws, rules, and regulations as may be necessary for the conduct of its business;

"(4) to conduct its business, carry on its operations, and have officers and exercise the power granted by this section in any State without regard to any qualification or similar statute in any State;

"(5) to lease, purchase, or otherwise acquire, own, hold, improve, use, or otherwise deal in and with any property, real, personal, or mixed, or any interest therein, wherever situated;

"(6) to accept gifts or donations of services, or of property, real, personal, or mixed, tangible or intangible, in aid of any of the purposes of the Association;

"(7) to sell, convey, mortgage, pledge, lease, exchange, and otherwise dispose of its property and assets;

"(8) to appoint such officers, attorneys, employees, and agents as may be required, to determine their qualifications, to define their duties, to fix their salaries, require bonds for them and fix the penalty thereof; and

"(9) to enter into contracts, to execute instruments, to incur liabilities, and to do all things as are necessary or incidental to the proper management of its affairs and the proper conduct of its business.

"(j) The accounts of the Association shall be audited annually. Such audits shall be conducted in accordance with generally accepted auditing standards by independent certified public accountants or by independent licensed public accountants, licensed on or before December 31, 1970, who are certified or licensed by a regulatory authority of a State or other political subdivision of the United States, except that independent public accountants licensed to practice by such regulatory authority after December 31, 1970, and persons who, although not so certified or licensed, meet, in the opinion of the Secretary, standards of education and experience representative of the highest standards prescribed by the licensing authorities of the several States which provide for the continuing licensing of public accountants and which are prescribed by the Secretary in appropriate regulations may perform such audits until December 31, 1975. A report of each such audit shall be furnished to the

Secretary of the Treasury. The audit shall be conducted at the place or places where the accounts are normally kept. The representatives of the Secretary shall have access to all books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the Association and necessary to facilitate the audit, and they shall be afforded full facilities for verifying transactions with the balances or securities held by depositaries, fiscal agents, and custodians.

"(k) A report of each such audit for a fiscal year shall be made by the Secretary of the Treasury to the President and to the Congress not later than six months following the close of such fiscal year. The report shall set forth the scope of the audit and shall include a statement (showing intercorporate relations) of assets and liabilities, capital and surplus or deficit; a statement of surplus or deficit analysis; a statement of income and expense; a statement of sources and application of funds; and such comments and information as may be deemed necessary to keep the President and the Congress informed of the operations and financial condition of the Association, together with such recommendations with respect thereto as the Secretary may deem advisable, including a report of any impairment of capital or lack of sufficient capital noted in the audit. A copy of each report shall be furnished to the Secretary of Health, Education, and Welfare and to the Association.

"(l) All obligations issued by the Association shall be lawful investments, and may be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which shall be under authority or control of the United States or of any officer or officers thereof. All stock and obligations issued by the Association pursuant to this section shall be deemed to be exempt securities within the meaning of laws administered by the Securities and Exchange Commission, to the same extent as securities which are direct obligations of, or obligations guaranteed as to principal or interest by, the United States. The Association shall, for the purposes of section 14(b)(2) of the Federal Reserve Act, be deemed to be an agency of the United States.

"(m) In order to furnish obligations for delivery by the Association, the Secretary of the Treasury is authorized to prepare such obligations in such form as the Board of Directors may approve, such obligations when prepared to be held in the Treasury subject to delivery upon order by the Association. The engraved plates, dies, bed pieces, and so forth, executed in connection therewith shall remain in the custody of the Secretary of the Treasury. The Association shall reimburse the Secretary of the Treasury for any expenditures made in the preparation, custody, and delivery of such obligations.

"(n) The Association shall, as soon as practicable after the end of each fiscal year, transmit to the President and the Congress a report of its operations and activities during each year.".

(b) If any provision of the amendment made by subsection (a) of this section or the application thereof to any person or circumstance is held invalid, the validity of the remainder of the amendment, and the application of such provisions to other persons or circumstances, shall not be affected.

(c)(1) The sixth sentence of the seventh paragraph of section 5136 of the Revised Statutes, as amended (12 U.S.C. 24), is amended by inserting "or obligations or other instruments or securities of the Student Loan Marketing Association," immediately after "or obligations, participation, or other instruments of or issued by the Federal National Mortgage Association or the Government National Mortgage Association,".

(2) Section 5200 of the Revised Statutes, as amended (12 U.S.C. 84), is amended by adding at the end thereof the following new paragraph:

"(14) Obligations of the Student Loan Marketing Association shall not be subject to any limitation based upon such capital and surplus.".

(3) The first paragraph of section 5(c) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(c)), is amended by inserting "or in obligations or other instruments or securities of the Student Loan Marketing Association;" in the second proviso immediately after "any political subdivision thereof".

(4) Section 8(8)(E) of the Federal Credit Union Act, amended (12 U.S.C. 1757(8)(E)), is amended by inserting before the semicolon at the end thereof the following: "or in obligations or other instruments or securities of the Student Loan Marketing Association".

EXTENSION OF THE EMERGENCY INSURED STUDENT LOAN ACT OF 1969

SEC. 134. (a) Section 2(a)(7) of the Emergency Insured Student Loan Act of 1969 is amended by striking out "July 1, 1971" and inserting in lieu thereof "July 1, 1974".

(b) The amendment made by subsection (a) shall be effective on and after July 1, 1971.

STATEMENT OF PURPOSE OF THE WORK-STUDY PROGRAM

SEC. 135. Section 441(a) of the Higher Education Act of 1965 is amended by striking out "from low-income families" and inserting in lieu thereof "with great financial need".

EXTENSION OF COLLEGE WORK-STUDY PROGRAM

SEC. 135A. (a) Section 441(b) of the Higher Education Act of 1965 is amended by striking out the word "and" after "June 30, 1970," and by adding after "June 30, 1971," the following: "$330,000,000 for the fiscal year ending June 30, 1972, $360,000,000 for the fiscal year ending June 30, 1973, $390,000,000 for the fiscal year ending June 30, 1974, and $420,000,000 for the fiscal year ending June 30, 1975,".

(b) The amendment made by subsection (a) shall be effective after June 30, 1971.

ALLOTMENTS FOR WORK STUDY PROGRAM

SEC. 135B. (a)(1) The first sentence of section 442(a) of the Higher Education Act of 1965 is amended by striking out "The remainder" and inserting in lieu thereof "Ninety per centum of the remainder".

(2) Subsections (c), (d), and (e) of such section are redesignated as subsections (d), (e), and (f), respectively, and such section is amended by inserting after subsection (b) the following new subsection:

"(c) Sums remaining after making the allotments provided for in other provisions of this section shall be allotted among the States by the Commissioner in accordance with equitable criteria established by him which shall be designed to achieve a distribution of the sums appropriated to carry out this part among the States which will most effectively carry out the purpose of this part, except that where a State's allotment unaer subsection (b) for a fiscal year is less than its allotment under that subsection for the fiscal year ending June 30, 1972, before he makes any other allotments under this subsection, the Commissioner shall allot sufficient additional sums to such State under this sentence to make the State's

allotment for that year under subsection (b) equal to its allotment under such subsection for the fiscal year ending June 30, 1972. Sums allotted to a State under this subsection shall be consolidated with, and become a part of, its allotment from the same appropriation under subsection (b).".

WORK-STUDY PROGRAM—SELECTION OF STUDENTS

SEC. 135C. (a)(1) Clause (3)(A) of section 444(a) of the Higher Education Act of 1965 is amended by inserting immediately after "such institution" the following: "(taking into consideration the actual cost of attendance at such institution)".

(2) The amendment made by subsection (a) shall be effective on and after July 1, 1971, with respect to appropriations for fiscal years beginning on and after July 1, 1971.

AUTHORIZING PARTICIPATION OF HALF-TIME STUDENTS IN WORK-STUDY PROGRAM

SEC. 135D. Section 444(a)(3)(C) of the Higher Education Act of 1965 is amended (1) by striking out "full time" both times it appears, and (2) by inserting after "student at the institution" and after "attendance there" the following: "on at least a half-time basis".

CONDITIONS OF AGREEMENT

SEC. 135E. (a) Section 444(a)(3) of the Higher Education Act of 1965 is amended (1) by striking out "from low-income families" and inserting in lieu thereof the following: "with the greatest financial need, taking into account grant assistance provided such student from any public or private sources", and (2) by amending clause (B) to read as follows: "(B) shows evidence of academic or creative promise and capability of maintaining good standing in such course of study while employed under the program covered by the agreement, and".

(b) Section 444(a) of such Act is amended by striking out clause (4).

WORK-STUDY FOR COMMUNITY SERVICE LEARNING PROGRAM

SEC. 135F. Part C of title IV of the Higher Education Act of 1965 is amended by adding at the end thereof the following new section:

"WORK-STUDY FOR COMMUNITY SERVICE LEARNING PROGRAM

"SEC. 447. (a) The purpose of this section is to enable students in eligible institutions who are in need of additional financial support to attend institutions of higher education, with preference given to veterans who served in the Armed Forces in Indochina or Korea after August 5, 1964, to obtain earnings from employment which offers the maximum potential both for effective service to the community and for enhancement of the educational development of such students.

"(b) There are authorized to be appropriated $25,000,000 for the fiscal year ending June 30, 1972, and $50,000,000 each succeeding fiscal year ending prior to July 1, 1975, to carry out this section through local project grants, without regard to the provisions of section 442.

"(c) The Commissioner is authorized to enter into agreements with public or private nonprofit agencies under which the Commissioner will make grants to such agencies to pay the compensation of students who are

employed by such agencies in jobs providing needed community services and which are of educational value.

"(d) An agreement entered into under subsection (c) above shall—

"(1) provide for the part-time employment of college students in projects designed to improve community services or solve particular problems in the community;

"(2) provide assurances that preference will be given to veterans who served in the Armed Forces in Indochina or Korea after August 5, 1964, in recruiting students in eligible institutions for jobs under this section, and that the agency, in cooperation with the institution of higher education which the student attends, will make an effort to relate the projects performed by students to their general academic program and to a comprehensive program for college student services to the community;

"(3) conform with the provisions of clauses (1)(A), (1)(B) and (1)(C) of section 444(a), and provide for the selection of students who meet the requirements of clauses (3)(A), (3)(B) and (3)(C) of section 444(a); and

"(4) include such other provisions as the Commissioner shall deem necessary or appropriate to carry out the purposes of this section, including provisions for oversight by the institution of higher education which the student participating in such a program attends.

"(e) For purposes of this section, the term 'community service' includes, but is not limited to, work in such fields as environmental quality, health care, education, welfare, public safety, crime prevention and control, transportation, recreation, housing and neighborhood improvement, rural development, conservation, beautification, and other fields of human betterment and community improvement.".

COOPERATIVE EDUCATION

SEC. 136. (a)(1) Section 451(a) of the Higher Education Act of 1965 is amended by striking out "the fiscal year ending June 30, 1971" and inserting in lieu thereof "each of the succeeding fiscal years ending prior to July 1, 1975".

(2) Section 451(b) of such Act is amended by striking out "two succeeding fiscal years" and inserting in lieu thereof "succeeding fiscal years ending prior to July 1, 1975".

(b)(1) Section 451(b) of the Higher Education Act of 1965 is amended by inserting after "training" the following: ", demonstration,".

(2) Section 453 of such Act is amended by inserting immediately before "or for research" the following: "for projects demonstrating or exploring the feasibility or value of innovative methods of cooperative education,".

(c) The amendments made by subsection (a) shall be effective after June 30, 1971.

DIRECT LOANS TO STUDENTS IN INSTITUTIONS OF HIGHER EDUCATION

SEC. 137. (a)(1) Section 201 of the National Defense Education Act of 1958 is amended by inserting "each" after "$375,000,000", and by inserting after "June 30, 1971," the following: "and for the fiscal year ending June 30, 1972,".

(2) The amendments made by paragraph (1) shall be effective after June 30, 1971.

(b) Title IV of the Higher Education Act of 1965 is amended by striking out part F. Part E and sections 461, 462, 463, 464, and 469 of such title IV, and all references thereto are redesignated as part F and sections 491, 492, 493, 494, and 499, respectively. Such title IV is further amended by inserting after part D the following new parts:

"PART E—DIRECT LOANS TO STUDENTS IN INSTITUTIONS OF HIGHER EDUCATION

"APPROPRIATIONS AUTHORIZED

"SEC. 461. (a) The Commissioner shall carry out a program of stimulating and assisting in the establishment and maintenance of funds at institutions of higher education for the making of low-interest loans to students in need thereof to pursue their courses of study in such institutions.

"(b)(1) For the purpose of enabling the Commissioner to make contributions to student loan funds established under this part, there are hereby authorized to be appropriated $275,000,000 for the fiscal year ending June 30, 1972, and $400,000,000 for the fiscal year ending June 30, 1973, and for each of the succeeding fiscal years ending prior to July 1, 1975.

"(2) In addition there are hereby authorized to be appropriated such sums for the fiscal year ending June 30, 1976, and each of the three succeeding fiscal years as may be necessary to enable students who have received loans for academic years ending prior to July 1, 1975, to continue or complete courses of study.

"(c) Any sums appropriated pursuant to subsection (b) for any fiscal year shall be available for apportionment pursuant to section 462 and for payments of Federal capital contributions therefrom to institutions of higher education which have agreements with the Commissioner under section 463. Such Federal capital contributions and all contributions from such institutions shall be used for the establishment, expansion, and maintenance of student loan funds.

"APPORTIONMENT OF APPROPRIATIONS

"SEC. 462. (a) (1) From 90 per centum of the sums appropriated pursuant to section 461(b)(1) for any fiscal year, the Commissioner shall apportion to each State an amount which bears the same ratio to the amount so appropriated as the number of persons enrolled on a full-time basis in institutions of higher education, as determined by the Commissioner for the most recent year for which satisfactory data are available to him, in such State, bears to the total number of persons so enrolled in all the States. The remainder of the sums so appropriated shall be apportioned among the States by the Commissioner in accordance with equitable criteria which he shall establish and which shall be designed to achieve a distribution of the sums so appropriated among the States which will most effectively carry out the purpose of this part, except that where any State's apportionment under the first sentence for a fiscal year is less than its allotment under section 202(a) of the National Defense Education Act of 1958 for the fiscal year ending June 30, 1972, before he makes any other apportionments under this sentence, the Commissioner shall apportion sufficient additional sums to such State under this sentence to make the

State's apportionment for that year under this paragraph equal to its allotment for the fiscal year ending June 30, 1972, under such section 202(a). Sums apportioned to a State under the preceding sentence shall be consolidated with, and become a part of, its apportionment from the same appropriation under the first sentence of this paragraph.

"(2) Any sums appropriated pursuant to section 461(b)(2) for any fiscal year shall be apportioned among institutions of higher education in such a manner as the Commissioner determines will best accomplish the purpose for which they were appropriated.

"(b)(1) Any institution of higher education desiring to receive payments of Federal capital contributions from the apportionment of the State in which it is located for any fiscal year shall make an agreement under section 463 and shall submit an application therefor to the Commissioner, in accordance with the provisions of this part. The Commissioner shall, from time to time, set dates before which such institutions must file applications under this section.

"(2) The Commissioner shall pay to each applicant under this subsection which has an agreement with him under section 463, from the amount apportioned to the State in which it is located, the amount requested in such application. Such payment may be made in such installments as the Commissioner determines will not result in unnecessary accumulations of capital in the student loan fund of the applicant established under its agreement under section 463.

"(c)(1)(A) If the total amount of Federal capital contributions requested in the applications from a State for any fiscal year exceeds the amount apportioned to that State, the request from each institution shall be reduced ratably.

"(B) In case additional amounts become available for payments to student loan funds in a State in which requests have been ratably reduced under subparagraph (A), such requests shall be increased on the same basis as they were reduced, except that no request shall be increased above the request submitted under subsection (b)(1).

"(2) If the amount of an apportionment to a State for any fiscal year exceeds the total amount of Federal capital contributions requested in applications from that State, such excess shall be available for reapportionment from time to time on such date or dates as the Commissioner shall fix. From the aggregate of such excess for any fiscal year, the Commissioner shall reapportion to each State in which requests were reduced under subparagraph (A) of paragraph (1) an amount which bears the same ratio to such aggregate as the total amount of such reduction in that State bears to the total amount of such reductions in all the States.

"(d) The aggregate of the amounts of Federal capital contributions paid under this section for any fiscal year to proprietary institutions of higher education may not exceed the amount by which the sums appropriated pursuant to section 461(b)(1) for that fiscal year exceed $190,000,000.

"AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION

"SEC. 463. (a) An agreement with any institution of higher education for the payment of Federal capital contributions under this part shall—

"(1) provide for the establishment and maintenance of a student loan fund for the purposes of this part;

"(2) provide for the deposit in such fund of—

"(A) the Federal capital contributions,

"AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION—continued

"(B) a capital contribution by such institution in an amount equal to not less than one-ninth of the amount of such Federal contributions,

"(C) collections of principal and interest on student loans made from such fund,

"(D) charges collected pursuant to regulations under section 464(c)(1)(G), and

"(E) any other earnings of the funds;

"(3) provide that such student loan fund shall be used only for—

"(A) loans to students, in accordance with the provisions of this part,

"(B) administrative expenses, as provided in subsection (b),

"(C) capital distributions, as provided in section 466, and

"(D) costs of litigation, and other collection costs agreed to by the Commissioner in connection with the collection of a loan from the fund (and interest thereon) or a charge assessed pursuant to regulations under section 464(c)(1)(G);

"(4) provide that where a note or written agreement evidencing a loan has been in default for at least 2 years despite due diligence on the part of the institution in making collection thereon, the institution may assign its rights under such note or agreement to the United States, without recompense, and that in that event any sums collected on such a loan shall be deposited in the general fund of the Treasury; and

"(5) include such other provisions as may be necessary to protect the financial interest of the United States and promote the purposes of this part as are agreed to by the Commissioner and the institution.

"(b) An institution which has entered into an agreement under subsection (a) shall be entitled, for each fiscal year during which it makes student loans from a student loan fund established under such agreement, to a payment in lieu of reimbursement for its expenses in administering its student loan program under this part during such year. Such payment shall be made in accordance with section 493.

"TERMS OF LOANS

"SEC. 464. (a)(1) Loans from any student loan fund established pursuant to an agreement under section 463 to any student by any institution shall, subject to such conditions, limitations, and requirements as the Commissioner shall prescribe by regulation, be made on such terms and conditions as the institution may determine.

"(2) The aggregate of the loans for all years made by institutions of higher education from loan funds established pursuant to agreements under this part may not exceed—

"(A) $10,000 in the case of any graduate or professional student (as defined by regulations of the Commissioner, and including any loans from such funds made to such person before he became a graduate or professional student);

"(B) $5,000 in the case of a student who has successfully completed two years of a program of education leading to a bachelor's degree, but who has not completed the work necessary for such a degree (determined under regulations of the Commissioner, and including any loans from such funds made to such person before he became such a student); and

"(C) $2,500 in the case of any other student.

"(3) Regulations of the Commissioner under paragraph (1) shall be designed to prevent the impairment of the capital of student loan funds to the maximum extent practicable and with a view toward the objective of enabling the student to complete his course of study.

"(b) A loan from a student loan fund assisted under this part may be made only to a student who—

"(1) is in need of the amount of the loan to pursue a course of study at such institution;

"(2) is capable, in the opinion of the institution, of maintaining good standing in such course of study;

"(3) has been accepted for enrollment as an undergraduate, graduate, or professional student in such institution, or, in the case of a student already in attendance at such institution, is in good standing; and

"(4) is carrying at least one-half the normal academic workload, as determined by the institution.

In any case in which a student has been determined to be eligible for a loan under the preceding sentence, and such student thereafter fails to maintain good standing, the eligibility of such student shall, upon notice to the Commissioner, be suspended, and further payments to, or on behalf of, such student shall not be made until such student regains good standing.

"(c)(1) Any agreement between an institution and a student for a loan from a student loan fund assisted under this part—

"(A) shall be evidenced by note or other written instrument which, except as provided in paragraph (2), provides for repayment of the principal amount of the loan, together with interest thereon, in equal installments (or, if the borrower so requests, in graduated periodic installments determined in accordance with such schedules as may be approved by the Commissioner) payable quarterly, bimonthly, or monthly, at the option of the institution, over a period beginning nine months after the date on which the student ceases to carry, at an institution of higher education or a comparable institution outside the States approved for this purpose by the Commissioner, at least one-half the normal full-time academic workload, and ending ten years and nine months after such date;

"(B) shall include provision for acceleration of repayment of the whole, or any part, of such loan, at the option of the borrower;

"(C) may provide, at the option of the institution in accordance with regulations of the Commissioner, that during the repayment period of the loan, payments of principal and interest by the borrower with respect to all outstanding loans made to him from student loan funds assisted under this part shall be at a rate equal to not less than $30 per month;

"(D) shall provide that the loan shall bear interest, on the unpaid balance of the loan, at the rate of 3 per centum per annum, except that no interest shall accrue (i) prior to the beginning date of repayment determined under clause (A) (i), or (ii) during any period in which repayment is suspended by reason of paragraph (2);

"(E) unless the borrower is a minor and the note or other evidence of obligation executed by him would not, under applicable law, create a binding obligation, shall provide that the loan shall be made without security and without endorsement;

"(F) shall provide that no note or evidence of obligation may be assigned by the lender, except upon the transfer of the borrower to

another institution participating under this part (or, if not so participating, is eligible to do so and is approved by the Commissioner for such purpose), to such institution; and

"(G) may, pursuant to regulations of the Commissioner, provide for an assessment of a charge with respect to the loan for failure of the borrower (i) to pay all or part of an installment when it is due or (ii) to file timely and satisfactory evidence of an entitlement of the borrower to a deferment of repayment benefit or a cancellation benefit provided under this part.

"(2)(A) No repayment of principal of, or interest on, any loan from a student loan fund assisted under this part shall be required during any period in which the borrower—

"(i) is carrying at least one-half the normal full-time academic workload at an institution of higher education or at a comparable institution outside the United States which is approved for this purpose by the Commissioner;

"(ii) is a member of the Armed Forces of the United States;

"(iii) is in service as a volunteer under the Peace Corps Act; or

"(iv) is in service as a volunteer under title VIII of the Economic Opportunity Act of 1964.

The period during which repayment may be deferred by reason of clause (ii), (iii), or (iv) shall not exceed three years.

"(B) Any period during which repayment is deferred under subparagraph (A) shall not be included in computing the ten-year maximum period provided for in clause (A) of paragraph (1).

"(3) The Commissioner is authorized, when good cause is shown, to extend, in accordance with regulations, the ten-year maximum repayment period provided for in clause (A) of paragraph (1) with respect to individual loans.

"(4) The amount of any charge under clause (G) of paragraph (1) shall not exceed—

"(A) in the case of a loan which is repayable in monthly installments, $1 for the first month or part of a month by which such installment or evidence is late and $2 for each such month or part of a month thereafter; and

"(B) in the case of a loan which has a bimonthly or quarterly repayment interval, $3 and $6, respectively, for each such interval or part thereof by which such installment or evidence is late.

The institution may elect to add the amount of any such charge to the principal amount of the loan as of the first day after the day on which such installment or evidence was due, or to make the amount of the charge payable to the institution not later than the due date of the next installment after receipt by the borrower of notice of the assessment of the charge.

"(d) An agreement under this part for payment of Federal capital contributions shall include provisions designed to make loans from the student loan fund established pursuant to such agreement reasonably available (to the extent of the available funds in such fund) to all eligible students in such institution in need thereof.

"(e) In determining, for purposes of clause (1) of subsection (b) of this section, whether a student who is a veteran (as that term is defined in section 101(2) of title 38, United States Code) is in need, an institution shall not take into account the income and assets of his parents.

"CANCELLATION OF LOANS FOR CERTAIN PUBLIC SERVICE

"SEC. 465. (a)(1) The per centum specified in paragraph (3) of this subsection of the total amount of any loan made after June 30, 1972, from a student loan fund assisted under this part shall be canceled for each complete year of service after such date by the borrower under circumstances described in paragraph (2).

"(2) Loans shall be canceled under paragraph (1) for service—

"(A) as a full-time teacher for service in an academic year in a public or other nonprofit private elementary or secondary school which is in the school district of a local educational agency which is eligible in such year for assistance pursuant to title I of the Elementary and Secondary Education Act of 1965, and which for the purposes of this paragraph and for that year has been determined by the Commissioner (pursuant to regulations and after consultation with the State educational agency of the State in which the school is located) to be a school in which the enrollment of children described in clause (A), (B), or (C) of section 103(a)(2) of title I of the Elementary and Secondary Education Act of 1965 (using a low-income factor of $3,000) exceeds 30 per centum of the total enrollment of that school and such determination shall not be made with respect to more than 50 per centum of the total number of schools in the State receiving assistance under such title I;

"(B) as a full-time staff member in a preschool program carried on under section 222(a)(1) of the Economic Opportunity Act of 1964 which is operated for a period which is comparable to a full school year in the locality: Provided That the salary of such staff member is not more than the salary of a comparable employee of the local educational agency, or

"(C) as a full-time teacher of handicapped children in a public or other nonprofit elementary or secondary school system; or

"(D) as a member of the Armed Forces of the United States, for service that qualifies for special pay under section 310 of title 37, United States Code, as an area of hostilities.

For the purposes of this paragraph, the term 'handicapped children' means children who are mentally retarded, hard of hearing, deaf, speech-impaired, visually handicapped, seriously emotionally disturbed, or other health-impaired children who by reason thereof require special education.

"(3)(A) The per centum of a loan which shall be canceled under paragraph (1) of this subsection is—

"(i) in the case of service described in clause (A), or (C), of paragraph (2), at the rate of 15 per centum for the first or second year of such service, 20 per centum for the third or fourth year of such service, and 30 per centum for the fifth year of such service;

"(ii) in the case of service described in clause (B) of paragraph (2) at the rate of 15 per centum for each year of such service;

"(iii) in the case of service described in clause (D) of paragraph (2), not to exceed a total of 50 per centum of such loan at the rate of 12½ per centum for each year of qualifying service.

"(B) If a portion of a loan is canceled under this subsection for any year, the entire amount of interest on such loan which accrues for such year shall be canceled.

"(C) Nothing in this subsection shall be construed to authorize refunding any repayment of a loan.

"(4) For the purposes of this subsection, the term 'year' where applied to service as a teacher means academic year as defined by the Commissioner.

"(b) The Commissioner shall pay to each institution for each fiscal yea. an amount equal to the aggregate of the amounts of loans from its student loan fund which are canceled pursuant to this section for such year. None of the funds appropriated pursuant to section 461(b) shall be available for payments pursuant to this subsection.

"DISTRIBUTION OF ASSETS FROM STUDENT LOAN FUNDS

"SEC. 466. (a) After June 30, 1980, and not later than December 31, 1980, there shall be a capital distribution of the balance of the student loan fund established under this part by each institution of higher education as follows:

"(1) The Commissioner shall first be paid an amount which bears the same ratio to the balance in such fund at the close of June 30, 1980, as the total amount of the Federal capital contributions to such fund by the Commissioner under this part bears to the sum of such Federal contributions and the institution's capital contributions to such fund.

"(2) The remainder of such balance shall be paid to the institution.

"(b) After December 31, 1980, each institution with which the Commissioner has made an agreement under this part, shall pay to the Commissioner the same proportionate share of amounts received by the institution after June 30, 1974, in payment of principal and interest on student loans made from the student loan fund established pursuant to such agreement (which amount shall be determined after deduction of any costs of litigation incurred in collection of the principal or interest on loans from the fund and not already reimbursed from the fund or from such payments of principal or interest), as was determined for the Commissioner under subsection (a).

"(c) Upon a finding by the institution or the Commissioner prior to July 1, 1980, that the liquid assets of a student loan fund established pursuant to an agreement under this part exceed the amount required for loans or otherwise in the foreseeable future, and upon notice to such institution or to the Commissioner, as the case may be, there shall be, subject to such limitations as may be included in regulations of the Commissioner or in such agreement, a capital distribution from such fund. Such capital distribution shall be made as follows:

"(1) The Commissioner shall first be paid an amount which bears the same ratio to the total to be distributed as the Federal capital contributions by the Commissioner to the student loan fund prior to such distribution bear to the sum of such Federal capital contributions and the capital contributions to the fund made by the institution.

"(2) The remainder of the capital distribution shall be paid to the institution.".

(c) In the case of a loan made before July 1, 1972, under title II of the National Defense Education Act of 1958 not to exceed 50 per centum of such loan (1) shall be canceled for service by the borrower as a full-time teacher in a public or other nonprofit elementary or secondary school in a State, in an institution of higher education, or in an elementary or second-

ary school overseas of the Armed Forces of the United States at the rate of 10 per centum of the total amount of such loan for each complete academic year of such service, except that (A) such rate shall be 15 per centum for each complete academic year of service as a full-time teacher in a public or other nonprofit elementary or secondary school which is in the school district of a local educational agency which is eligible in such year for assistance pursuant to title I of the Elementary and Secondary Education Act of 1965, as amended, and which for purposes of this paragraph and for that year has been determined by the Commissioner (pursuant to regulations and after consultation with the State educational agency of the State in which the school is located) to be a school in which there is a high concentration of students from low-income families, except that (unless all of the schools so determined are schools in which the enrollment of children described in clause (A), (B), or (C) of section 103(a)(2) of such title (using a low-income factor of $3,000) exceeds 50 per centum of the total enrollment of the school) the Commissioner shall not make such determination with respect to more than 25 per centum of the total of the public and other nonprofit elementary and secondary schools in any one State for any one year, (B) such rate shall be 15 per centum for each complete academic year of service as a full-time teacher of handicapped children (including mentally retarded, hard of hearing, deaf, speech impaired, visually handicapped, seriously emotionally disturbed, or other health impaired children who by reason thereof require special education) in a public or other nonprofit elementary or secondary school system, and (C) for the purposes of any cancellation pursuant to clause (A) or (B), an additional 50 per centum of any such loan may be canceled, and (2) shall be canceled for service by the borrower after June 30, 1970, as a member of the Armed Forces of the United States at the rate of 12½ per centum of the total amount of such loan for each year of consecutive service, but only if such loan was made after April 13, 1970.

(d)(1) Upon enactment of this Act, the program authorized by part E of title IV of the Higher Education Act of 1965 as added by subsection (b) is, and shall be deemed to be, a continuation of the program authorized by title II of the National Defense Education Act of 1958. In accordance with regulations of the Commissioner, except as provided in subsection (c), all rights, privileges, duties, functions, and obligations under such title II prior to the enactment of this Act shall be deemed to be vested, as the Commissioner determines to be appropriate, under such part E. Any student loan fund established under an agreement under such title II shall, in accordance with regulations, be deemed to have been established under such part E; and any assets of such student loan fund of any institution shall be deemed to be the assets of a student loan fund established under an agreement of that institution with the Commissioner under such part E.

(2) Upon enactment of this Act title II of the National Defense Education Act of 1958 is amended by striking out section 206.

WAIVER OF MAINTENANCE OF EFFORT REQUIREMENTS IN CERTAIN CASES

SEC. 138. (a) Section 494(a) of the Higher Education Act of 1965 is amended by inserting before the period at the end thereof a comma and the following: "except that under special and unusual circumstances, pursuant to regulations, the Commissioner is authorized to waive the application of any provision of such an agreement which is required by this section."

(b) The amendment made by subsection (a) shall be deemed to be effective from the date of enactment of the Higher Education Act of 1965.

FURNISHING GUIDELINES

SEC. 139. Part F of title IV of the Higher Education Act of 1965 is amended by adding after section 494, as added by this Act, the following new section:

"FURNISHING GUIDELINES

"SEC. 495. Copies of all rules, regulations, guidelines, instructions, and application forms published or promulgated pursuant to this title shall be provided to the Committee on Labor and Public Welfare of the Senate and the Committee on Education and Labor of the House of Representatives at least thirty days prior to their effective date.".

TRANSFER OF FUNDS BETWEEN PROGRAMS

SEC. 139A. (a) Part F of title IV of the Higher Education Act of 1965 is further amended by adding after section 495, as added by this Act, the following new section:

"TRANSFERS BETWEEN PROGRAMS

"SEC. 496. Up to 10 per centum of the allotment of an institution of higher education for a fiscal year under section 413D or 442 of this Act, may be transferred to, and used for the purposes of, the institution's allotment under the other section within the discretion of such institution in order to offer an arrangement of types of aid, including institutional and State aid, which best fits the needs of each individual student. The Commissioner shall have no control over such transfer, except as specifically authorized, except for the collection and dissemination of information.".

(b) The amendment made by subsection (a) of this section shall become effective with respect to fiscal years ending after June 30, 1972.

ELIGIBILITY FOR STUDENT ASSISTANCE

SEC. 139B. (a) Part F of title IV of the Higher Education Act of 1965 is further amended by inserting after section 496, the following new section:

"ELIGIBILITY FOR STUDENT ASSISTANCE

"SEC. 497. (a) If an institution of higher education determines, after affording notice and opportunity for hearing to an individual attending, or employed by, such institution, that such individual has been convicted by any court of record of any crime which was committed after June 30, 1972, and which involved the use of (or assistance to others in the use of) force, disruption, or the seizure of property under control of any institution of higher education to prevent officials or students in such institution from engaging in their duties or pursuing their studies, and that such crime was of a serious nature and contributed to a substantial disruption of the administration of the institution with respect to which such crime was committed, then the institution which such individual attends, or is employed by, shall deny for a period of two years any further payment to, or for the direct benefit of, such individual under any of the programs

authorized under this title. If an institution denies an individual assistance under the authority of the preceding sentence of this subsection, then any institution which such individual subsequently attends shall deny for the remainder of the two-year period any further payment to, or for the direct benefit of, such individual under any program authorized by this title.

"(b) If an institution of higher education determines, after affording notice and opportunity for hearing to an individual attending, or employed by, such institution, that such individual has willfully refused to obey a lawful regulation or order of such institution after June 30, 1972, and that such refusal was of a serious nature and contributed to a substantial disruption of the administration of such institution, then such institution shall deny, for a period of two years, any further payments to, or for the direct benefit of, such individual under any program authorized by this title.

"(c)(1) Nothing in this section shall be construed to prohibit any institution of higher education from refusing to award, continue, or extend any financial assistance under this title to any individual because of any misconduct which in its judgment bears adversely on his fitness for such assistance.

"(2) Nothing in this section shall be construed as limiting or prejudicing the rights and prerogatives of any institution of higher education to institute and carry out an independent, disciplinary proceeding pursuant to existing authority, practice, and law.

"(3) Nothing in this section shall be construed to limit the freedom of any student to verbal expression of individual views or opinions.".

(b) Effective July 1, 1972, section 504 of Public Law 90–575 is repealed.

AFFIDAVIT OF EDUCATIONAL PURPOSE REQUIRED

SEC. 139C. (a) Part F of title IV of the Higher Education Act of 1965 is amended by inserting after section 497 the following new section:

"AFFIDAVIT OF EDUCATIONAL PURPOSE REQUIRED

"SEC. 498. (a) Notwithstanding any other provision of law, no grant, loan, or loan guarantee authorized under this title may be made unless the student to whom the grant, loan, or loan guarantee is made has filed with the institution of higher education which he intends to attend, or is attending, (or in the case of a loan or loan guarantee with the lender), an affidavit stating that the money attributable to such grant, loan, or loan guarantee will be used solely for expenses related to attendance or continued attendance at such institution.

"(b) Nothing in this section shall be construed to invalidate any loan guarantee made under this title.".

(b) The amendment made by subsection (a) of this section shall become effective after the sixtieth day after the date of enactment of this Act.

STUDY OF THE FINANCING OF POSTSECONDARY EDUCATION

SEC. 140(a)(1) It is the purpose of this section to authorize a study of the impact of past, present, and anticipated private, local, State, and Federal support for postsecondary education, the appropriate role for the States in support of higher education (including the application of State law upon postsecondary educational opportunities), alternative student

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assistance programs, and the potential Federal, State, and private participation in such programs.

(2) In order to give the States and the Nation the information needed to assess the dimensions of, and extent of, the financial crisis confronting the Nation's postsecondary institutions such study shall determine the need, the desirability, the form, and the level of additional governmental and private assistance. Such study shall include at least (A) an analysis of the existing programs of aid to institutions of higher education, various alternative proposals presented to the Congress to provide assistance to institutions of higher education, as well as other viable alternatives which, in the judgment of the Commission, merit inclusion in such a study; (B) the costs, advantages and disadvantages, and the extent to which each proposal would preserve the diversity and independence of such institutions; and (C) the extent to which each would advance the national goal of making postsecondary education accessible to all individuals, including returning veterans, having the desire and ability to continue their education.

(b)(1) There is hereby established, as an independent agency within the executive branch, a National Commission on the Financing of Postsecondary Education (referred to in this section as the "Commission"). Upon the submission of its final report required by subsection (d) the Commission shall cease to exist.

(2) The Department of Health, Education, and Welfare shall provide the Commission with necessary administrative services (including those related to budgeting, accounting, financial reporting, personnel and procurement) for which payment shall be made in advance, or by reimbursement, from funds of the Commission and such amounts as may be agreed upon by the Commission and the Secretary of Health, Education, and Welfare.

(3) The Commission shall have authority to accept in the name of the United States, grants, gifts, or bequests of money for immediate disbursement in furtherance of the functions of the Commission. Such grants, gifts or bequests, after acceptance by the Commission, shall be paid by the donor or his representative to the Treasurer of the United States whose receipts shall be their acquittance. The Treasurer of the United States shall enter them in a special account to the credit of the Commission for the purposes in each case specified.

(c) In conducting such a study, the Commission shall consider—

(1) the nature and causes of serious financial distress facing institutions of postsecondary education; and

(2) alternative models for the long range solutions to the problems of financing postsecondary education with special attention to the potential Federal, State, local, and private participation in such programs, including, at least—

(A) the assessment of previous related private and governmental studies and their recommendations;

(B) existing state and local programs of aid to postsecondary institutions;

(C) the level of endowment, private sector support and other incomes of postsecondary institutions and the feasibility of Federal and State income tax credits for charitable contributions to postsecondary institutions;

(D) the level of Federal support of postsecondary institutions through such programs as research grants, and other general and categorical programs;

(E) alternative forms of student assistance, including at least loan programs based on income contingent lending, loan programs which utilize fixed, graduated repayment schedules, loan programs which provide for cancellation or deferment of all or part of repayment in any given year based on a certain level of a borrower's income; and existing student assistance programs including those administered by the Office of Education, the Social Security Administration, the Public Health Service, the National Science Foundation, and the Veterans Administration; and

(F) suggested national uniform standards for determining the annual per student costs of providing postsecondary education for students in attendance at various types and classes of institutions of higher education.

(d) No later than April 30, 1973, the Commission shall make a final report to the President and Congress on the results of the investigation and study authorized by this section, together with such findings and recommendations, including recommendations for legislation, as it deems appropriate, including suggested national uniform standards referred to in subsection (c)(2)(F) and any related recommendations for legislation. No later than 60 days after the final report the Commissioner shall make a report to the Congress commenting on the Commission's suggested national uniform standards, and incorporating his recommendations with respect to national uniform standards together with any related recommendations for legislation.

(e) In order to carry out the provisions of this part, the Commission is authorized to—

(1) enter into contracts with institutions of postsecondary education and other appropriate individuals, public agencies and private organizations;

(2) appoint and fix the compensation of such personnel as may be necessary;

(3) employ experts and consultants in accordance with section 3109 of title 5, United States Code;

(4) utilize, with their consent, the services, personnel, information and facilities of other Federal, State, local, and private agencies with or without reimbursement; and

(5) consult with the heads of such Federal agencies as it deems appropriate.

(f)(1) The Commission is further authorized to conduct such hearings at such times and places as it deems appropriate for carrying out the purposes of this section.

(2) The heads of all Federal agencies are, to the extent not prohibited by law, directed to cooperate with the Commission in carrying out this section.

(g)(1) The Commission shall be composed of—

(A) two members of the Senate who shall be members of the different political parties and who shall be appointed by the President of the Senate;

(B) two Members of the House of Representatives who shall be members of different political parties and who shall be appointed by the Speaker of the House of Representatives; and

(C) not to exceed thirteen members appointed by the President not later than ninety days after the date of enactment of this Act. Such members shall be appointed from—

(i) members of State and local educational agencies;
(ii) State and local government officials;
(iii) education administrators from private and public higher education institutions and community colleges;
(iv) teaching faculty;
(v) financial experts from the private sector;
(vi) students;
(vii) the Office of Education; and
(viii) other appropriate fields.

(2) The President shall designate one of the members to serve as Chairman and one to serve as Vice Chairman of the Commission.

(3) The majority of the members of the Commission shall constitute a quorum, but a lesser number may conduct hearings.

(4) The terms of office of the appointive members of the Commission shall expire after submission of the final report.

(h) There are hereby authorized to be appropriated $1,500,000 for the period beginning on the date of enactment of this Act and ending July 1, 1973, for the purpose of carrying out the provisions of this section.

PART E—EDUCATION PROFESSIONS DEVELOPMENT

EXTENSION OF AUTHORIZATION OF APPROPRIATIONS

SEC. 141. (a)(1) Title V of the Higher Education Act of 1965 is amended—

(A) in section 511(b), by striking out "for the fiscal year ending June 30, 1971" and inserting in lieu thereof "each for the fiscal years ending June 30, 1971, and June 30, 1972";

(B) in sections 504(b), 518(b), 528, 532, and 543, by striking out "July 1, 1971" and inserting in lieu thereof "July 1, 1972" in each instance.

(2) The amendments made by paragraph (1) shall be effective after June 30, 1971.

(b)(1) Section 501 of the Higher Education Act of 1965 is amended by inserting "(a)" after "SEC. 501." and by adding at the end thereof the following new subsection:

"(b) For the purpose of carrying out the provisions of this title, there are authorized to be appropriated $200,000,000 for the fiscal year ending June 30, 1973, $300,000,000 for the fiscal year ending June 30, 1974, and $450,000,000 for the fiscal year ending June 30, 1975, of which—

"(1) not less than $500,000 shall be for the purposes of section 504;

"(2) not less than 25 per centum or $37,500,000, whichever is greater, shall be for the purposes of subpart 1 of part B;

"(3) not less than 5 per centum shall be for the purposes of part C;

"(4) not less than 5 per centum shall be for the purposes of part D;

"(5) not less than 5 per centum shall be for the purposes of part E;

"(6) not less than 10 per centum shall be for the purposes of part F; and

"(7) not less than 5 per centum of the amounts available for the purposes of part C or part D shall be used for the training of teachers for service in programs for children with limited English speaking ability.".

(2) The amendments made by paragraph (1) shall be effective after, and only with respect to appropriations for fiscal years beginning after, June 30, 1972.

(c)(1) Effective on and after July 1, 1972, title V of the Higher Education Act of 1965 is amended by striking out the following provisions:

(A) Section 502(f);
(B) Section 504(b);
(C) Section 511(b) and "(a)" where it appears after "SEC. 511.";
(D) Section 518(b) and "(a)" where it appears after "SEC. 518.";
(E) Section 528;
(F) Section 532;
(G) Section 543; and
(H) Section 555.

(2)(A)(i) The caption head of section 518 of such title V is amended to read as follows: "PROGRAM AUTHORIZED".

(ii) Such section 518 is amended by striking out "during the fiscal year ending June 30, 1969, and the succeeding fiscal year,".

(B) Effective on and after July 1, 1972, section 519(a) of such title V is amended by striking out that part of the first sentence which precedes ", the Commissioner" and inserting in lieu thereof the following: "From the amount available for grants under this subpart for any fiscal year".

(3) Section 525(b) of such Act is amended by striking out all that follows "federally supported programs" and inserting in lieu thereof a period.

(4) The Department of Health, Education, and Welfare shall, under the authority of section 401(c) and of part C of the General Education Provisions Act, submit to the Congress an estimate of the sums necessary to carry out section 502 of such title V.

DELEGATION OF FUNCTIONS OF THE DIRECTOR OF THE TEACHER CORPS

SEC. 142. The third sentence of such section 512 is amended by inserting before the period at the end thereof the following: ", except that (1) the Commissioner may delegate his functions under this subpart only to the Director, and (2) the Director and Deputy Director shall not be given any function authorized by law other than that granted by this subpart".

RETRAINING OF TEACHERS AND EMPLOYMENT OF TUTORS AND INSTRUCTIONAL ASSISTANTS

SEC. 143. (a)(1) Section 518 of the Higher Education Act of 1965 is amended (1) by striking out "to (1)" and inserting in lieu thereof "(1) to", (2) by striking out "and (2)" and inserting in lieu thereof "(2) to", and (3) and by adding the following before the period; ", (3) to encourage volunteers (including high school and college students) for service as part-time tutors or full-time instructional assistants for educationally disadvantaged children, (4) to compensate such tutors and instructional assistants at such rates as the Commissioner may determine to be consistant with prevailing practices under comparable federally supported work-study programs, and (5) to provide necessary training to teachers to enable them to teach other grades or other subjects in which such agencies have a teacher shortage".

(2) Section 520(a)(2) of such Act is amended (A) by striking out "and (C)" and inserting in lieu thereof "(C) programs of such agencies to employ high school and college students as tutors or instructional assistants for educationally disadvantaged children, (D) programs of such agencies to compensate such tutors and instructional assistants at such rates as the Commissioner may determine to be consistent with prevailing practices under comparable federally supported work-study programs,

(E) programs of such agencies to provide necessary training to teachers to enable them to teach other grades or other subjects in which such agencies have a teacher shortage, and (F)".

(3) Section 520(a)(3) of such Act is amended by inserting "or for the retraining of teachers" immediately before the semicolon at the end thereof.

(b) The amendments made by subsection (a) shall be effective after, and only with respect to appropriations for fiscal years beginning after, June 30, 1972.

PROVISION FOR ADMINISTRATIVE EXPENSES FOR OPERATION OF STATE PLAN

SEC. 144. (a) Section 520(a)(2) of the Higher Education Act of 1965 is amended, in clause (F) thereof, by (1) striking out "3" and inserting in lieu thereof "5", and (2) by inserting before the semicolon: "or, $20,000, whichever is greater".

(b) The amendments made by subsection (a) shall be effective after, and only with respect to appropriations for fiscal years beginning after, June 30, 1972.

ELIMINATION OF CEILING ON EXPENDITURES FOR TEACHING AIDES

SEC. 145. (a) Section 520(a) of the Higher Education Act of 1965 is amended by striking out clause (5) thereof. Clauses (6) through (9) of such section 520(a), and all references thereto, are redesignated as clauses (5) through (8), respectively.

(b) The amendments made by subsection (a) shall be effective after, and only with respect to appropriations for fiscal years beginning after, June 30, 1972.

TRAINING FOR TEACHERS AND AIDES IN PRIVATE SCHOOLS

SEC. 146. (a) Clause (5) of section 520(a) of the Higher Education Act of 1965 is amended by inserting "is teaching, or" after "because he".

(b) The amendment made by subsection (a) shall be effective after, and only with respect to appropriations for fiscal years beginning after, June 30, 1972.

FELLOWSHIPS IN SCHOOL NURSING

SEC. 146. A. Section 521 of the Higher Education Act of 1965 is amended by inserting "school nursing," after "such as library science,".

IMPROVING TRAINING PROGRAMS FOR THE EDUCATION OF TEACHERS AND RELATED EDUCATIONAL PERSONNEL

SEC. 147. (a)(1) Section 531(b) of the Higher Education Act of 1965 is amended by striking out the period at the end thereof and inserting in lieu thereof "; and", and by adding at the end thereof the following new clause:

> *"(11) programs or projects (including cooperative arrangements or consortia between institutions of higher education, junior and community colleges, or between such institutions and State or local educational agencies and nonprofit education associations) for the improvement of undergraduate programs for preparing educational personnel, including design, development and evaluation of exem-*

plary undergraduate training programs, introduction of high quality and more effective curricula and curricular materials, and the provision of increased opportunities for practical teaching experience for prospective teachers in elementary and secondary schools.".

(2) Section 531(c) of such Act is amended by striking out the "or" at the end of clause (1) and the period at the end of clause (2), by inserting a semicolon and "or" at the end of clause (2), and by adding the following new clause:

"(3) projects or programs to improve undergraduate or other programs for training educational personnel.".

(b) The amendments made by subsection (a) shall be effective after, and only with respect to appropriations for fiscal years beginning after, June 30, 1972.

PROGRAMS FOR TEACHERS OF MIGRANT CHILDREN

SEC. 148. (a)(1) Section 531(b) of the Higher Education Act of 1965 is further amended by striking out the period at the end of clause (11) and inserting in lieu thereof a semicolon and the word "and", and by adding at the end thereof the following new clause:

"(12) programs and projects designed to meet the need for the training of teachers for participation in education programs for migratory children of migratory agricultural workers, including teacher exchange programs.".

(2) Section 531(c) of such Act is amended by striking out "or" at the end of clause (2), and inserting in lieu thereof a semicolon and the word "or", and by adding at the end thereof the following new clause (4):

"(4) such activities as may be necessary to carry out the purposes of clause (12) of subsection (b), to the extent that such activities are not inconsistent with the other provisions of this part.".

(b) The amendments made by subsection (a) shall be effective after June 30, 1972.

PART F—INSTRUCTIONAL EQUIPMENT

EXTENSION OF AUTHORIZATION OF APPROPRIATIONS

SEC. 151. (a) Subsections (b) and (c) of section 601 of the Higher Education Act of 1965 are each amended by striking out "two succeeding fiscal years" and inserting in lieu thereof "succeeding fiscal years ending prior to July 1, 1975".

(b) The amendments made by subsection (a) of this section shall be effective after June 30, 1971.

PART G—ACADEMIC FACILITIES

TRANSFER OF THE PROVISIONS OF THE HIGHER EDUCATION FACILITIES ACT OF 1963

SEC. 161. (a) Title VII of the Higher Education Act of 1965 is amended to read as follows:

"TITLE VII—CONSTRUCTION OF ACADEMIC FACILITIES

"PART A—GRANTS FOR THE CONSTRUCTION OF UNDERGRADUATE ACADEMIC FACILITIES

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 701. (a) The Commissioner shall carry out a program of grants to institutions of higher education for the construction of academic facilities in accordance with this part.

"(b) For the purpose of making grants under this part, there are hereby authorized to be appropriated $50,000,000, for the fiscal year ending June 30, 1972, $200,000,000 for the fiscal year ending June 30, 1973, and $300,000,000 for each of the fiscal years ending June 30, 1974, and June 30, 1975.

"(c) Of the sums appropriated pursuant to section 701(b), 24 per centum shall be reserved by the Commissioner and allotted among the States under section 702. The remainder of such sums shall be available for allotment among the States under section 703.

"PUBLIC COMMUNITY COLLEGES AND PUBLIC TECHNICAL INSTITUTES

"SEC. 702. (a) Sums reserved pursuant to the first sentence of section 701(c) shall be available for allotments to States for providing academic facilities for public community colleges and public technical institutes.

"(b) From the sums available for any fiscal year for the purposes of this section, the Commissioner shall allot to each State an amount which bears the same ratio to such sums as the product of—

"(1) the number of high school graduates of the State, and

"(2) the State's allotment ratio,

bears to the sum of the corresponding products for all the States. The amount allotted to any State under the preceding sentence for any fiscal year which is less than $50,000 shall be increased to $50,000, the total of increases thereby required being derived by proportionately reducing the amount allotted to each of the remaining States under the preceding sentence, but with such adjustments as may be necessary to prevent the allotment of any such remaining States from being thereby reduced to less than $50,000.

"(c)(1) From the sums available for any fiscal year for amount allotted to a State under this section shall be available for the payment of the Federal share of the development cost of approved projects for the construction of academic facilities within such State for public community colleges and public technical institutes.

"(2) Any portion of a State's allotment under this section for any fiscal year for which applications from an institution qualified to receive grants under this section have not been received prior to January 1 of such fiscal year by the State Commission created or designated pursuant to section 1202 shall, if the State Commission so requests, be available for payment of the Federal share of the development cost of approved projects under section 703.

"(d) All amounts allotted under this section for any fiscal year which are not reserved as provided in section 701(c) by the close of the fiscal year for which they are allotted shall be reallotted by the Commissioner, on the basis of such factors as he determines to be equitable and reasonable, among the States which, as determined by the Commissioner, are able

to use without delay any amounts so reallotted for the purpose set forth in subsection (c)(1). Amounts reallotted under this subsection shall be available for reservation until the close of the fiscal year next succeeding the fiscal year for which they were originally allotted.

"(e) For the purposes of clause (2) of subsection (b), the 'allotment ratio' for any State shall be 1.00 less the product of (A) 0.50 and (B) the quotient obtained by dividing the income per person for the State by the income per person for all the States (not including Puerto Rico, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, and Guam), except that (i) the allotment ratio shall in no case be less than 0.33⅓ or more than 0.66⅔, (ii) the allotment ratio for Puerto Rico, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, and Guam shall be 0.66⅔, and (iii) the allotment ratio of any State shall be 0.50 for any fiscal year if the Commissioner finds that the cost of school construction in such State exceeds twice the median of such costs in all the States as determined by him on the basis of statistics and data as the Commissioner shall deem adequate and appropriate. The allotment ratios shall be promulgated by the Commissioner as soon as possible after June 30, 1972, and annually thereafter, on the basis of the average of the incomes per person of the State and of all the States for the three most recent consecutive calendar years for which satisfactory data are available from the Department of Commerce.

"(f) For the purpose of this section, the term 'high school graduate' means a person who has received formal recognition (by diploma, certificate, or similar means) from an approved school for successful completion of four years of education beyond the first eight years of schoolwork, or for demonstration of equivalent achievement. For the purposes of this section the number of high school graduates shall be limited to the number who graduated in the most recent school year for which satisfactory data are available from the Department of Health, Education, and Welfare. The interpretation of the definition of 'high school graduate' shall fall within the authority of the Commissioner.

"INSTITUTIONS OF HIGHER EDUCATION OTHER THAN PUBLIC COMMUNITY COLLEGES AND PUBLIC TECHNICAL INSTITUTES

"SEC. 703. (a) Sums appropriated pursuant to section 701(b) which remain after the reservation provided for in the first sentence of section 701(c) for any fiscal year shall be available for allotments to States for providing academic facilities for institutions of higher education other than institutions eligible for grants under section 702.

"(b) Sums available for the purposes of this section for any fiscal year shall be allotted among the States as follows:

"(1) The Commissioner shall allot to each State an amount which bears the same ratio to 50 per centum of such sums as the number of students enrolled in institutions of higher education in such States bears to the number of students so enrolled in all the States; and

"(2) The Commissioner shall allot to each State an amount which bears the same ratio to 50 per centum of such sums as the number of students enrolled in grades nine through twelve (both inclusive) of schools in such State bears to the total number of students so enrolled in all the States. For the purposes of this subsection (A) the number of students enrolled in institutions of higher education shall be deemed to be equal to the sum of (i) the number of full-time students

and (ii) the full-time equivalent of the number of part-time students as determined by the Commissioner in accordance with regulations; and (B) determinations as to enrollment under either clause (1) or clause (2) shall be made by the Commissioner on the basis of data for the most recent year for which satisfactory data with respect to such enrollment are available to him.

The amount allotted to any State under the preceding sentence for any fiscal year shall not be less than $50,000.

"(c)(1) Any amount allotted to a State under this section for any fiscal year shall, except as provided in paragraph (2), be available, in accordance with the provisions of this title, for payment of the Federal share of the development cost of approved projects for the construction of academic facilities within such State for institutions of higher education which are not eligible for grants under section 702.

"(2) Any portion of a State's allotment under this section for any fiscal year for which applications from an institution qualified to receive grants under this section have not been received by the State Commission prior to January 1 of such fiscal year, shall, if the State Commission so requests, be available for payment of the Federal share of the development cost of approved projects under section 702.

"(d) All amounts allotted under this section for any fiscal year, which are not reserved by the close of the fiscal year for which they are allotted, shall be reallotted by the Commissioner, on the basis of such factors as he determines to be equitable and reasonable, among the States which, as determined by the Commissioner, are able to use without delay any amounts so reallotted for the purposes of this section. Amounts reallotted under this subsection shall be available for reservation until the close of the fiscal year next succeeding the fiscal year for which they were originally allotted.

"STATE PLANS

"SEC. 704. (a) Any State desiring to participate in the grant program authorized by this part for any fiscal year shall submit for that year to the Commissioner through the State Commission a State plan for such participation. Such plan shall be submitted at such time, in such manner, and containing such information as may be necessary to enable the Commissioner to carry out his functions under this part and shall—

"(1) provide that it shall be administered by the State Commission;

"(2) set forth objective standards and methods which are consistent with basic criteria prescribed by regulations pursuant to section 706, for—

"(A) determining the relative priorities of eligible projects submitted by institutions of higher education within the State for the construction of academic facilities, and

"(B) determining the Federal share of the development cost of each such project;

"(3) provide that the funds apportioned for any fiscal year under section 702 or 703 shall be used only for the purposes set forth therein;

"(4) provide for—

"(A) assigning priorities solely on the basis of such criteria, standards, and methods to eligible projects submitted to the State Commission and found by it otherwise approvable under the provisions of this part, and

"(B) approving and recommending to the Commissioner, in the order of such priority, applications covering such eligible projects, and for certifying to the Commissioner the Federal share of the development cost of the project involved;

"(5) provide for affording to every applicant which has submitted a project to the State Commission an opportunity for a fair hearing before the State Commission as to the priority assigned to such project, or as to any other determination of the State Commission adversely affecting such applicant; and

"(6) provide for—

"(A) such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid to the State Commission under this part, and

"(B) making such reports, in such form and containing such information, as may be reasonably necessary to enable the Commissioner to perform his functions under this part.

"(b) The Commissioner shall approve any State plan submitted under this section if he determines that it complies with the provisions of this section and other appropriate provisions of this title.

"ELIGIBILITY FOR GRANTS

"SEC. 705. (a) Except as is provided in subsection (b), an institution of higher education shall be eligible for a grant under this part only if the State Commission determines, in accordance with criteria prescribed by regulation, that the construction project for which assistance is sought will, either alone or together with other construction to be undertaken within a reasonable time, result in—

"(1) a substantial expansion of, or

"(2) in the case of a new institution, the creation of,

urgently needed (A) enrollment capacity, (B) the capacity to provide health care for students and institutional personnel, or (C) capacity to carry out extension and continuing education programs on the campus of such institution.

"(b) If the Commissioner determines, in accordance with criteria established by regulation, that the student enrollment capacity of an institution of higher education would decrease if an urgently needed academic facility is not constructed, the construction of such a facility may be considered, for the purposes of this section, to result in an expansion of the institution's student enrollment capacity.

"BASIC CRITERIA FOR DETERMINING PRIORITIES AND FEDERAL SHARE

"SEC. 706. (a)(1) The Commissioner shall, by regulation, prescribe basic criteria to which the provisions of State plans, setting forth standards and methods for determining relative priorities of eligible construction projects, and the application of such standards and methods to such projects under such plans, shall be subject.

"(2) Such basic criteria shall, at least—

"(A) be such as will best tend to achieve the objectives of this part, while leaving opportunity and flexibility to State Commissions for the development of State plan standards and methods that will best accommodate the varied needs of institutions in the several States;

"(B) give special consideration to the expansion of undergraduate enrollment capacity; and

"(C) give consideration to the expansion of capacity to provide needed health care to students and institutional personnel.

"(3) Subject to paragraph (2), such regulations may establish additional and appropriate basic criteria, including—

"(A) provision for considering the degree to which applicant institutions are effectively utilizing existing facilities;

"(B) provision for allowing State plans to group, or to allow grouping, in a reasonable manner, facilities or institutions according to functional or educational type for priority purposes; and

"(C) in view of the national objectives of this title, provision for considering the degree to which applicant institutions serve students from two or more States or from outside the United States.

"(4) In no event shall such basic criteria permit the readiness of an institution to admit out-of-State students to be considered as a priority adverse to such institution.

"(b)(1) The Commissioner shall prescribe, by regulation, the base criteria for determining the Federal share of the development cost of any eligible project under this part within a State, to which criteria the applicable standards and methods set forth in the State plan for such State shall conform.

"(2) In no case shall such basic criteria permit the Federal share to exceed 50 per centum of the development cost of a project.

"(c) Section 553 of title 5, United States Code, shall apply to the prescription of regulations under this section, notwithstanding clause (2) of subsection (a) thereof.

"APPLICATIONS FOR GRANTS; AMOUNT OF GRANTS

"SEC. 707. (a)(1) Any institution of higher education which desires to receive a grant under this part shall submit an application therefor at such time or times, in such manner, and containing such information as the Commissioner shall prescribe by regulation.

"(2) The Commissioner shall approve an application for a construction project under this part if he determines that—

"(A) it meets the requirements prescribed under paragraph (1);

"(B) the project for which assistance is sought is an eligible project under section 705;

"(C) such project has been submitted through, and been approved and recommended by, the appropriate State Commission;

"(D) such State Commission has certified to the Commissioner, in accordance with the State plan, the Federal share of the development cost of the project, and sufficient funds to pay such Federal share are available from the applicable apportionment of the State;

"(E) such project has, pursuant to the State plan, been assigned a priority that is higher than that assigned to all other projects within the State which are chargeable to the same apportionment, and meet the requirements of this section, and for which Federal funds have not yet been reserved;

"(F) the construction to be carried out under the application will be undertaken in a timely and economic manner and will not be of elaborate or extravagant design or materials;

"(G) in the case of a student health care facility, no assistance will be provided for such facility under title IV of the Housing Act of 1950; and

"(H) the application contains assurances or is supported by satisfactory assurances—

"(i) that title to the site is in accordance with regulations of the Commissioner relating thereto,

"(ii) that Federal funds received by the applicant will be solely used for defraying the development cost of the project covered by the application,

"(iii) that sufficient funds will be available to meet the non-Federal portion of such cost and to provide for the effective use of the academic facility upon completion, and

"(iv) that the facility will be used as an academic facility for at least the period of the Federal interest therein, as provided in section 781.

"(b) Amendments to applications submitted under this section shall, except as the Commissioner may otherwise provide by regulations, be subject to approval in the same manner as original applications.

"(c)(1) Upon his approval of any application under this section, the Commissioner shall reserve from the applicable allotment available therefor, the amount of such grant, which shall be equal to the Federal share of the development cost of the project covered by the application. The Commissioner shall pay such reserved amount, in advance or by way of reimbursement, and in such installments consistent with construction progress, as he may determine.

"(2) Upon approval of an amendment of an application, or revision of the estimated development cost of a project, for which there has been a reservation made under paragraph (1), the Commissioner may adjust the amount so reserved, accordingly. If an adjustment under the first sentence of this paragraph results in a greater amount being reserved, he may reserve the Federal share of the added cost only from the applicable allotment available at the time of such approval.

"ADMINISTRATION OF STATE PLANS; JUDICIAL REVIEW

"SEC. 708. (a)(1) The Commissioner shall not finally disapprove any State plan submitted under this part, or any modification thereof, without first affording the State Commission submitting the plan reasonable notice and opportunity for a hearing.

"(2) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the State Commission administering a State plan approved under this part, finds—

"(A) that the State plan has been so changed that it no longer complies with the provisions of section 704, or

"(B) that in the administration of the plan there is a failure to comply substantially with any such provision,

the Commissioner shall notify such State Commission that the State will not be regarded as eligible to participate in the program under this part until he is satisfied that there is no longer any such failure to comply.

"(b)(1) If any State is dissatisfied with the Commissioner's final action with respect to the approval of its State plan submitted under section 704, or with his final action under subsection (a), such State may appeal to the United States court of appeals for the circuit in which such State is located.

The summons and notice of appeal may be served at any place in the United States. The Commissioner shall forthwith certify and file in the court the transcript of the proceedings and the record on which he based his action.

"(2) The findings of fact by the Commissioner if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall certify to the court the transcript and record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"(3) The court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in title 28, United States Code, section 1254.

"PART B—GRANTS FOR CONSTRUCTION OF GRADUATE ACADEMIC FACILITIES

"AUTHORIZATION

"SEC. 721. (a) The Commissioner shall carry out a program of making grants to institutions of higher education to assist them in improving existing graduate schools and cooperative graduate centers, and in establishing graduate schools and cooperative graduate centers of excellence, in order to increase the supply of highly qualified personnel needed by communities, industries, and governments and for teaching and research.

"(b) For the purpose of making grants under this part, there are authorized to be appropriated $20,000,000 for the fiscal year ending June 30, 1972, $40,000,000 for the fiscal year ending June 30, 1973, $60,000,000 for the fiscal year ending June 30, 1974, and $80,000,000 for the fiscal year ending June 30, 1975.

"APPLICATION FOR, AND AMOUNT OF, GRANTS

"SEC. 722. (a)(1) Any institution of higher education desiring to receive a grant under this part shall submit an application therefor at such time, in such manner, and containing such information as the Commissioner may require.

"(2) In determining whether to approve applications under this section, the order in which to approve such applications, and the amount of grants, the Commissioner shall give consideration to the extent to which the projects for which assistance is sought will contribute toward achieving the objectives of this part, and the extent to which they will aid in attaining a wider distribution of graduate schools and cooperative graduate centers throughout the States. In no case shall the total of the payments from appropriations for any fiscal year pursuant to section 721 made with respect to projects in any State exceed an amount equal to 12½ per centum of such appropriations.

"(3) For the purposes of this section, the term 'institution of higher education' includes cooperative graduate center boards.

"(b) The Commissioner shall not approve any application under this section until he has obtained the advice and recommendations of a panel of specialists who are not regular full-time employees of the Federal Government and who are competent to evaluate such application.

"(c) No grant under this part may be in an amount in excess of 50 per centum of the development cost of the project covered by the application.

"PART C—LOANS FOR CONSTRUCTION OF ACADEMIC FACILITIES

"AUTHORIZATION

"SEC. 741. (a)(1) The Commissioner shall carry out a program of making and insuring loans, in accordance with the provisions of this part.

"(2) The Commissioner is authorized to make loans to institutions of higher education and to higher education building agencies for the construction of academic facilities and to insure loans.

"(b) For the purpose of making payments into the fund established under section 744, there are hereby authorized to be appropriated $50,000,000 for the fiscal year ending June 30, 1972, $100,000,000 for the fiscal year ending June 30, 1973, $150,000,000 for the fiscal year ending June 30, 1974, and $200,000,000 for the fiscal year ending June 30, 1975. Sums appropriated pursuant to this subsection for any fiscal year shall be available without fiscal year limitations.

"ELIGIBILITY CONDITIONS, AMOUNTS, AND TERMS OF LOANS

"SEC. 742. (a) No loan pursuant to this part shall be made unless the Commissioner finds (1) that not less than 20 per centum of the development cost of the facility will be financed from non-Federal sources, (2) that the applicant is unable to secure the amount of such loan from other sources upon terms and conditions equally as favorable as the terms and conditions applicable to loans under this part, (3) that the construction will be undertaken in an economical manner and that it will not be of elaborate or extravagant design or materials, and (4) that, in the case of a project to construct an infirmary or other facility designed to provide primarily for outpatient care of students and institutional personnel, no financial assistance will be provided such project under title IV of the Housing Act of 1950.

"(b) A loan pursuant to this part shall be secured in such manner and shall be repaid within such period not exceeding fifty years, as may be determined by the Commissioner; and it shall bear interest at (1) a rate determined by the Commissioner which shall not be less than a per annum rate that is one-quarter of 1 percentage point above the average annual interest rate on all interest-bearing obligations of the United States forming a part of the public debt as computed at the end of the preceding fiscal year, adjusted to the nearest one-eighth of 1 per centum, or (2) the rate of 3 per centum per annum, whichever is the lesser.

"GENERAL PROVISION FOR LOAN PROGRAM

"SEC. 743. (a) Financial transactions of the Commissioner under this part, except with respect to administrative expenses, shall be final and conclusive on all officers of the Government and shall not be reviewable by any court.

"(b) In the performance of, and with respect to, the functions, powers, and duties vested in him by this part, the Commissioner may—

"(1) prescribe such rules and regulations as may be necessary to carry out the purposes of this part;

"(2) sue and be sued in any court of record of a State having general jurisdiction or in any district court of the United States, and such district courts shall have jurisdiction of civil actions arising under this part without regard to the amount in controversy, and any action instituted under this subsection by or against the Commissioner shall survive notwithstanding any change in the person occupying the office of the Commissioner or any vacancy in such office; but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Commissioner or property under his control, and nothing herein shall be construed to except litigation arising out of activities under this part from the application of sections 507(b) and 517 and 2679 of title 28, United States Code;

"(3) foreclose on any property or commence any action to protect or enforce any right conferred upon him by any law, contract, or other agreement, and bid for and purchase at any foreclosure or any other sale any property in connection with which he has made a loan pursuant to this part; and, in the event of any such acquisition (and notwithstanding any other provisions of law relating to the acquisition, handling, or disposal of real property by the United States), complete, administer, remodel and convert, dispose of, lease, and otherwise deal with, such property; except that (1) such action shall not preclude any other action by him to recover any deficiency in the amounts loaned and (2) any such acquisition of real property shall not deprive any State or political subdivision thereof of its civil or criminal jurisdiction in and over such property or impair the civil rights under the State or local laws of the inhabitants on such property;

"(4) sell or exchange at public or private sale, or lease, real or personal property, and sell or exchange any securities or obligations, upon such terms as he may fix;

"(5) subject to the specific limitations in this part, consent to the modification, with respect to the rate of interest, time of payment of any installment of principal or interest, security, or any other term of any contract or agreement to which he is a party or which has been transferred to h[illegible]ursuant to this section; and

"(6) include in any contract or instrument made pursuant to this part such other covenants, conditions, or provisions (including provisions designed to assure against use of the facility, constructed with the aid of a loan under this part, for purposes described in section 782(1)), as he may deem necessary to assure that the purpose of this part will be achieved.

"REVOLVING LOAN FUND AND INSURANCE FUND

"SEC. 744. (a) There is hereby created within the Treasury a separate fund for higher education academic facilities loans and loan insurance (hereafter in this section called the 'fund') which shall be available to the Commissioner without fiscal year limitation as a revolving fund for the purposes of making loans and insuring loans under this part. The total of any loans made from the fund in any fiscal year shall not exceed limitations specified in appropriation acts.

"(b)(1) The Commissioner shall transfer to the fund available appropriations provided under section 741(b) to provide capital for the fund. All amounts received by the Commissioner as interest payments or repayments of principal on loans, and any other moneys, property, or

assets derived by him from his operations in connection with this part, including any moneys derived directly or indirectly from the sale of assets, or beneficial interests or participations in assets of the fund, shall be deposited in the fund.

"(2) All loans, expenses, and payments pursuant to operations of the Commissioner under this part shall be paid from the fund, including (but not limited to) expenses and payments of the Commissioner in connection with sale, under section 302(c) of the Federal National Mortgage Association Charter Act, of participations in obligations acquired under this part. From time to time, and at least at the close of each fiscal year, the Commissioner shall pay from the fund into the Treasury as miscellaneous receipts interest on the cumulative amount of appropriations paid out for loans under this part or available as capital to the fund, less the average undisbursed cash balance in the fund during the year. The rate of such interest shall be determined by the Secretary of the Treasury, taking into consideration the average market yield during the month preceding each fiscal year on outstanding Treasury obligations of maturity comparable to the average maturity of loans made from the fund. Interest payments may be deferred with the approval of the Secretary of the Treasury, but any interest payments so deferred shall themselves bear interest. If at any time the Commissioner determines that moneys in the fund exceed the present and any reasonably prospective future requirements of the fund, such excess may be transferred to the general fund of the Treasury.

"ANNUAL INTEREST GRANTS

"SEC. 745. (a) To assist institutions of higher education and higher education building agencies to reduce the cost of borrowing from other sources for the construction of academic facilities, the Commissioner may make annual interest grants to such institutions and agencies.

"(b) Annual interest grants to an institution of higher education or higher education building agency with respect to any academic facility shall be made over a fixed period not exceeding forty years, and provision for such grants shall be embodied in a contract guaranteeing their payment over such period. Each such grant shall be in an amount not greater than the difference between (1) the average annual debt service which would be required to be paid, during the life of the loan, on the amount borrowed from other sources for the construction of such facilities, and (2) the average annual debt service which the institution would have been required to pay, during the life of the loan, with respect to such amounts if the applicable interest rate were the maximum rate specified in section 744(b)(2). The amount on which such grant is based shall be approved by the Secretary.

"(c)(1) There are hereby authorized to be appropriated to the Commissioner such sums as may be necessary for the payment of annual interest grants to institutions of higher education and higher education building agencies in accordance with this section.

"(2) Contracts for annual interest grants under this section shall not be entered into in an aggregate amount greater than is authorized in appropriation Acts; and in any event the total amount of annual interest grants which may be paid to institutions of higher education and higher education building agencies in any year pursuant to contracts entered into under this section shall not exceed $5,000,000 which amount shall be increased

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by $6,750,000 on July 1, 1969, and by $13,500,000 on July 1, 1970 and on July 1 of each of the four succeeding years.

"(d) Not more than 12½ per centum of the funds provided for in this section for grants may be used within any one State.

"(e) No annual interest grant pursuant to this section shall be made unless the Commissioner finds (1) that not less than 10 per centum of the development costs of the facility will be financed from non-Federal sources, (2) that the applicant is unable to secure a loan in the amount of the loan with respect to which the annual interest grant is to be made, from other sources upon terms and conditions equally as favorable as the terms and conditions applicable to loans under this title, and (3) that the construction will be undertaken in an economical manner and that it will not be of elaborate or extravagant design or materials. For purposes of this section, a loan with respect to which an interest grant is made under this section shall not be considered financing from a non-Federal source. For purposes of the other provisions of this title, such a loan shall be considered financing from a non-Federal source.

"ACADEMIC FACILITIES LOAN INSURANCE

"SEC. 746. (a)(1) In order to assist nonprofit private institutions of higher education and nonprofit private higher education building agencies to procure loans for the construction of academic facilities, the Commissioner may insure the payment of interest and principal on such loans if such institutions and agencies meet, with respect to such loans, criteria prescribed by or under section 745 for the making of annual interest grants under such section.

"(2) No loan insurance under paragraph (1) may apply to so much of the principal amount of any loan as exceeds 90 per centum of the development cost of the academic facility with respect to which such loan was made.

"(b)(1) The United States shall be entitled to recover from any institution or agency to which loan insurance has been issued under this section the amount of any payment made pursuant to that insurance, unless the Commissioner for good cause waives its right of recovery. Upon making any such payment, the United States shall be subrogated to all of the rights of the recipient of the payment with respect to which the payment was made.

"(2) Any insurance issued by the Commissioner pursuant to subsection (a) shall be incontestable in the hands of the institution or agency on whose behalf such insurance is issued, and as to any agency, organization, or individual who makes or contracts to make a loan to such institution or agency in reliance thereon, except for fraud or misrepresentation on the part of such institution or agency or on the part of the agency, organization, or individual who makes or contracts to make such loan.

"(c) Insurance may be issued by the Commissioner under subsection (a) only if he determines that the terms, conditions, maturity, security (if any), and schedule and amounts of repayments with respect to the loan are sufficient to protect the financial interests of the United States and are otherwise reasonable and in accord with regulations, including a determination that the rate of interest does not exceed such per centum per annum on the principal obligation outstanding as the Commissioner determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risks assumed by

the United States. The Commissioner may charge a premium for such insurance in an amount reasonably determined by him to be necessary to cover administrative expenses and probable losses under subsections (a) and (b). Such insurance shall be subject to such further terms and conditions as the Commissioner determines to be necessary.

"PART D—ASSISTANCE IN MAJOR DISASTER AREAS

"AUTHORIZATION

"SEC. 761. (a) The Commissioner shall carry out a program of financial assistance to public institutions of higher education, in accordance with the provisions of this part.

"(b) There are authorized to be appropriated for each fiscal year such sums as may be necessary to carry out the provisions of this part.

"ASSISTANCE FOR CONSTRUCTION OF ACADEMIC FACILITIES

"SEC. 762. (a) If the Director of the Office of Emergency Planning determines that a public institution of higher education is, in whole or in part, within an area which, after June 30, 1971, and before July 1, 1975, has suffered a disaster which is a major disaster, and if the Commissioner determines with respect to such institution that—

"(1) the academic facilities of such institution have been destroyed or seriously damaged as a result of the disaster;

"(2) such institution is exercising due diligence in availing itself of State and other financial assistance available for restoration or replacement of such facilities; and

"(3) the institution does not have sufficient funds available from such other sources, including proceeds of insurance on the facilities, to provide for the restoration or replacement of such facilities;

the Commissioner is authorized to provide such assistance to such institution as is provided in subsection (b).

"(b)(1) Assistance under this section shall be a grant to an eligible institution, as determined under subsection (a), of an amount necessary to enable the institution to carry out the construction necessary to restore or replace the academic facilities determined under clause (1) of subsection (a) to be damaged or destroyed.

"(2) The maximum amount of a grant under this section shall not exceed the cost of construction incident to the restoration or replacement of the facilities determined to be damaged or destroyed under clause (1) of subsection (a) less the amount of additional assistance determined under clause (3) of subsection (a) to be available.

"(c)(1) Assistance under this section may include a grant of an amount necessary to enable the institution to lease, or otherwise obtain the use of, such facilities as are needed to replace, temporarily, facilities which have been made unavailable as a result of a major disaster.

"(2) An institution shall be eligible for assistance under this subsection if it qualifies for assistance under subsection (a), whether or not it receives assistance under subsection (b).

"EQUIPMENT AND SUPPLIES

"SEC. 763. If an institution is eligible for assistance under section 762(a), the Commissioner is authorized, whether or not such institution

receives assistance under section 762(b), to make a grant to such institution of not in excess of an amount he determines necessary to replace equipment, maintenance supplies, and instructional supplies (including books, and curricular and program materials) destroyed or seriously damaged as a result of the major disaster.

"REPAYABLE ASSISTANCE IN LIEU OF A GRANT

"SEC. 764. If the Commissioner's determinations under clauses (2) and (3) of section 762(a) indicate that financial resources will become available to an institution otherwise qualified for assistance under section 762 at some future date or dates, he is authorized, subject to such terms and conditions as may be in the public interest, to extend assistance to such institution under section 762(b), 762(c), or 763 (or all such sections) with an agreement with such institution which provides that the institution will repay part or all of the funds received by it under this part.

"APPLICATIONS

"SEC. 765. No payment may be made to a public institution of higher education for academic facilities under section 762 or for assistance under section 763 unless an application therefor is submitted through the appropriate State Commission and is filed with the Commissioner in accordance with regulations prescribed by him. In determining the order in which such applications shall be approved, the Commissioner shall consider the relative educational and financial needs of the institutions which have submitted approvable applications. No payment may be made under section 762(b) unless the Commissioner finds, after consultation with the State Commission, that the project or projects with respect to which it is made are not inconsistent with overall State plans, submitted under section 704(a), for the construction of academic facilities. All determinations made by the Commissioner under this part shall be made only after consultation with the appropriate State Commission.

"DEFINITIONS

"SEC. 766. For the purposes of this part—

"(1) the term 'major disaster' means a disaster determined to be a major disaster as defined in section 2(a) of the Act of September 30, 1950 (42 U.S.C. 1855a(a)); and

"(2) an institution of higher education shall be deemed to be a 'public institution of higher education' if such institution is found by the Commissioner to be under public supervision and control.

"PART E—GENERAL

"RECOVERY OF PAYMENTS

"SEC. 781. (a) The Congress hereby finds and declares that, if a facility constructed with the aid of a grant or grants under part A or B of this title is used as an academic facility for twenty years following completion of such construction, the public benefit accruing to the United States from such use will equal in value the amount of such grant or grants. The period of twenty years after completion of such construction shall therefore be deemed to be the period of Federal interest in such facility for the purposes of this title.

"(b) If, within twenty years after completion of construction of an academic facility which has been constructed in part with a grant or grants under part A or B of this title—

"(1) the applicant (or its successor in title or possession) ceases or fails to be a public or nonprofit institution, or

"(2) the facility ceases to be used as an academic facility, or the facility is used as a facility excluded from the term 'academic facility', unless the Secretary determines that there is good cause for releasing the institution from its obligation,

the United States shall be entitled to recover from such applicant (or successor) an amount which bears to the then value of the facility (or so much thereof as constituted an approved project or projects) the same ratio as the amount of such Federal grant or grants bore to the development cost of the facility financed with the aid of such grant or grants. Such value shall be determined by agreement of the parties or by action brought in the United States district court for the district in which such facility is situated.

"(c) Notwithstanding the provisions of subsections (a) and (b), no facility constructed with assistance under this title shall ever be used for religious worship or a sectarian activity or for a school or department of divinity.

"DEFINITIONS

"SEC. 782. The following definitions apply to terms used in this title:

"(1) (A) Except as provided in subparagraph (B) of this paragraph, the term 'academic facilities' means structures suitable for use as classrooms, laboratories, libraries, and related facilities necessary or appropriate for instruction of students, or for research, or for administration of the educational or research programs, of an institution of higher education, and maintenance, storage, or utility facilities essential to operation of the foregoing facilities. For purposes of parts A, C, and D, such term includes infirmaries or other facilities designed to provide primarily for outpatient care of student and instructional personnel. Plans for such facilities shall be in compliance with such standards as the Secretary of Health, Education, and Welfare may prescribe or approve in order to insure that facilities constructed with the use of Federal funds under this title shall be, to the extent appropriate in view of the uses to be made of the facilities, accessible to and usable by handicapped persons.

"(B) The term 'academic facilities' shall not include (i) any facility intended primarily for events for which admission is to be charged to the general public, or (ii) any gymnasium or other facility specially designed for athletic or recreational activities, other than for an academic course in physical education or where the Commissioner finds that the physical integration of such facilities with other academic facilities included under this title is required to carry out the objectives of this title, or (iii) any facility used or to be used for sectarian instruction or as a place for religious worship, or (iv) any facility which (although not a facility described in the preceding clause) is used or to be used primarily in connection with any part of the program of a school or department of divinity, or (v) any facility used or to be used by a school of medicine, school of dentistry, school of osteopathy, school of pharmacy, school of optometry, school of podiatry, or school of public health as these terms are defined in section 724 of the Public Health Service Act, or a school of nursing as defined in section 843 of that Act.

"(2) The term 'construction' means (A) erection of new or expansion of existing structures, and the acquisition and installation of initial equipment therefor; or (B) acquisition of existing structures not owned by the institution involved; or (C) rehabilitation, alteration, conversion, or improvement (including the acquisition and installation of initial equipment, or modernization or replacement of built-in equipment) of existing structures; or (D) a combination of any two or more of the foregoing. For the purposes of the preceding sentence, the term 'equipment' includes, in addition to machinery, utilities, and built-in equipment and any necessary enclosures or structures to house them, all other items necessary for the functioning of a particular facility as an academic facility, including necessary furniture, except books, curricular and program materials, and items of current operating expense such as fuel, supplies, and the like; the term 'initial equipment' means equipment acquired and installed in connection with construction as defined in paragraph (2) (A) or (B) or, in cases referred to in paragraph (2)(C), equipment acquired and installed as part of the rehabilitation, alteration, conversion, or improvement of an existing structure, which structure would otherwise not be adequate for use as an academic facility; and the terms 'equipment', 'initial equipment', and 'built-in equipment' shall be more particularly defined by the Commissioner by regulation. For the purposes of clause (C) in the first sentence of this paragraph, the term 'rehabilitation, alteration, conversion, or improvement' includes such action as may be necessary to provide for the architectural needs of, or to remove architectural barriers to, handicapped persons with a view toward increasing the accessibility to, and use of, academic facilities by such persons.

"(3)(A) The term 'development cost', with respect to an academic facility, means the amount found by the Commissioner to be the cost, to the applicant for a grant or loan under this title, of the construction involved and the cost of necessary acquisition of the land on which the facility is located and of necessary site improvements to permit its use for such facility. There shall be excluded from the development cost—

"(i) in determining the amount of any grant under part A or B, an amount equal to the sum of (I) any Federal grant which the institution has obtained, or is assured of obtaining, under any law other than this title, with respect to the construction that is to be financed with the aid of a grant under part A or B and (II) the amount of any non-Federal funds required to be expended as a condition of such other Federal grant; and

"(ii) in determining the amount of any loan under part C, an amount equal to the amount of any Federal financial assistance which the institution has obtained, or is assured of obtaining, under any law other than this title, with respect to the construction that is to be financed with the aid of a loan under part C.

"(B) In determining the development cost with respect to an academic facility, the Commissioner may include expenditures for works of arts for the facility of not to exceed 1 per centum of the total cost (including such expenditures) to the applicant of construction of, and land acquisition and site improvements for, such facility.

"(4) The term 'Federal share' means, except as provided in section 706(b)(2), in the case of any project a percentage (as determined under the applicable State plan) not in excess of 50 per centum of its development cost.

"(5) The term 'higher education building agency' means (A) an agency, public authority, or other instrumentality of a State authorized to provide, or finance the construction of, academic facilities for institutions of higher education (whether or not also authorized to provide or finance other facilities for such or other educational institutions, or for their students or faculty), or (B) any corporation (no part of the net earnings of which inures or may lawfully inure to the benefit of any private shareholder or individual) (I) established by an institution of higher education for the sole purpose of providing academic facilities for the use of such institution, and (II) upon dissolution of which, all title to any property purchased or built from the proceeds of any loan made under part C will pass to such institution.

"(6) The term 'public community college and public technical institute' means an institution of higher education which is under public supervision and control, and is organized and administered principally to provide a two-year program which is acceptable for full credit toward a bachelor's degree, or a two-year program in engineering, mathematics, or the physical or biological sciences which is designed to prepare the student to work as a technician and at a semiprofessional level in engineering, scientific, or other technological fields which require the understanding and application of basic engineering, scientific, or mathematical principles or knowledge; and the term includes a branch of an institution of higher education offering four or more years of higher education which is located in a community different from that in which its parent institution is located.

"(7) The term 'cooperative graduate center' means an institution or program created by two or more institutions of higher education which will offer to the students of the participating institutions of higher education graduate work which could not be offered with the same proficiency or economy (or both) at the individual institution of higher education. The center may be located or the program carried out on the campus of any of the participating institutions or at a separate location.

"(8) The term 'cooperative graduate center board' means a duly constituted board established to construct and maintain the cooperative graduate center and coordinate academic programs. The board shall be composed of representatives of each of the institutions of higher education participating in the center and of the community involved. At least one-third of the board's members shall be community representatives. The board shall elect by a majority vote a chairman from among its membership.

"(9) The term 'public educational institution' does not include a school or institution of any agency of the United States.

"(10) The term 'State' includes, in addition to the several States of the Union, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.".

(b)(1) The programs authorized by title VII of the Higher Education Act of 1965 shall be deemed to be a continuation of the comparable programs authorized by the Higher Education Facilities Act of 1963.

(2) Effective July 1, 1972, the Higher Education Facilities Act of 1963 is amended by striking out titles I and II thereof.

(3) Effective July 1, 1972, such Act is amended by striking out section 306 thereof.

(4) The revolving fund created by section 744 of the Higher Education Act of 1965 shall be deemed to be a continuation of the revolving fund created by section 305 of the Higher Education Facilities Act of 1963.

Any sums in the fund for higher education academic facilities created by such section 305 on the date of enactment of this Act shall be transferred to the fund created by section 744 of the Higher Education Act of 1965, and all such funds shall be deemed to have been made available for such fund. Notwithstanding any other provision of law, unless enacted in specific limitation of the provisions of this sentence, any sums appropriated pursuant to section 303(c) of the Higher Education Facilities Act of 1963 for any fiscal year ending prior to July 1, 1973, which have not been loaned under title III of that Act of 1963 shall be deemed to have been appropriated pursuant to section 741(b) of the Higher Education Act of 1965 for the fiscal year ending June 30, 1973.

Part H—Networks for Knowledge Extension

EXTENSION OF AUTHORIZATION OF APPROPRIATIONS

Sec. 171. Effective after June 30, 1971, section 802 of the Higher Education Act of 1965 is amended by inserting before the period at the end thereof "$5,000,000 for the fiscal year ending June 30, 1972, $10,000,000 for the fiscal year ending June 30, 1973, and $15,000,000 for each of the fiscal years ending June 30, 1974, and June 30, 1975."

INCLUSION OF LAW AND GRADUATE PROFESSIONAL SCHOOLS

Sec. 172. (a)(1) Section 801 (a) of the Higher Education Act of 1965 is amended by striking out the first sentence thereof and inserting in lieu thereof the following: "The Commissioner shall carry out a program of encouraging institutions of higher education (including law and other graduate professional schools) to share, to the optimal extent, through cooperative arrangements, their technical and other educational and administrative facilities and resources, and to test and demonstrate the effectiveness and efficiency of a variety of such arrangements, in accordance with this title. The Commissioner is authorized to make grants to, and contracts with, institutions of higher education to pay all or part of the cost of cooperative arrangements and of pilot or demonstration projects designed to accomplish the purpose set forth in the first sentence of this subsection.".

(2) Clause (1)(A) of section 801(b) of such Act is amended by inserting after "libraries" a comma and "including law libraries", and by inserting after "collections" a comma and "including law library collections,".

(b) The amendments made by subsection (a) shall be effective after June 30, 1972.

Part I—Graduate Programs

NEW TITLE IX OF THE HIGHER EDUCATION ACT OF 1965 (GRADUATE PROGRAM)

Sec. 181. (a) The Higher Education Act of 1965 is amended by striking out title IX and inserting in lieu thereof the following:

"TITLE IX—GRADUATE PROGRAMS

"PART A—GRANTS TO INSTITUTIONS OF HIGHER EDUCATION

"PURPOSES; AUTHORIZATION

"SEC. 901. (a) It is the purpose of this part to make financial assistance available to institutions of higher education—

"(1) to strengthen, improve and where necessary expand the quality of graduate and professional programs leading to an advanced degree (other than a medical degree) in such institutions;

"(2) to establish, strengthen, and improve programs designed to prepare graduate and professional students for public service; and

"(3) to assist in strengthening undergraduate programs of instruction in the areas described in clauses (2), (3), and (4), whenever the Commissioner determines that strengthened undergraduate programs of instruction will contribute to the purposes of such clauses.

"(b) The Commissioner shall carry out a program of making grants to institutions of higher education to carry out the purposes set forth in subsection (a).

"(c) There are authorized to be appropriated $30,000,000 for the fiscal year ending June 30, 1973, $40,000,000 for the fiscal year ending June 30, 1974, and $50,000,000 for the fiscal year ending June 30, 1975, for the purposes of this part.

"APPLICATIONS FOR GRANTS

"SEC. 902. (a) The Commissioner is authorized to make grants to institutions of higher education in accordance with the provisions of this part. An institution of higher education desiring to receive a grant under this part shall submit to the Commissioner an application therefor at such time or times, in such manner, and containing such information as the Commissioner may prescribe by regulation. Such application shall set forth a program of activities for carrying out one or more of the purposes set forth in section 901(a) in such detail as will enable the Commissioner to determine the degree to which such program will accomplish such purpose or purposes, and such other policies, procedures, and assurances as the Commissioner may require by regulation.

"(b) The Commissioner shall approve an application only if he determines that the application sets forth a program of activities which are likely to make substantial progress toward achieving the purposes of this part.

"AUTHORIZED ACTIVITIES

"SEC. 903. (a) The funds appropriated pursuant to section 901(c) may be used for such purposes as the Commissioner determines will best accomplish the purposes of this part.

"(b) Such funds may be used solely for the purposes set forth in an application approved under section 902 and solely for the purpose of accomplishing the purposes stated in section 901(a), and to that end such funds may be used for—

"(1) faculty improvement;

"(2) the expansion of graduate and professional programs of study;

"(3) the acquisition of appropriate instructional equipment and materials;

"(4) cooperative arrangements among graduate and professional schools; and

"(5) the strengthening of graduate and professional school administration.

"(c) No sums granted under this part may be used—

"(1) for payment in excess of 66⅔ per centum of the total cost of such project or activity;

"(2) for payment in excess of 50 per centum of the cost of the purchase or rental of books, audiovisual aids, scientific apparatus, or other materials or equipment, less any per centum of such cost, as determined by the Commissioner, that is paid from sums received (other than under this part) as Federal financial assistance; or

"(3) for sectarian instruction or religious worship, or primarily in connection with any part of the program of a school or department of divinity.

"RESEARCH AND STUDIES

"SEC. 904. The Commissioner is authorized, directly or by contract, to conduct studies and research activities in connection with the need for, and improvement of, graduate programs in various fields of study in institutions of higher education throughout the United States.

"PART B—GRADUATE FELLOWSHIPS FOR CAREERS IN POSTSECONDARY EDUCATION

"APPROPRIATIONS AUTHORIZED

"SEC. 921. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this part.

"NUMBER OF FELLOWSHIPS

"SEC. 922. (a) During the fiscal year ending June 30, 1973, and each of the two succeeding fiscal years, the Commissioner is authorized to award not to exceed seven thousand five hundred fellowships to be used for study in graduate programs at institutions of higher education. Such fellowships may be awarded for such period of study as the Commissioner may determine, but not in excess of three academic years, except (1) that where a fellowship holder pursues his studies as a regularly enrolled student at the institution during periods outside the regular sessions of the graduate program of the institution, a fellowship may be awarded for a period not in excess of three calendar years, and (2) that the Commissioner may provide by regulation for the granting of such fellowships for a period of study not to exceed one academic year (or one calendar year in the case of fellowships to which clause (1) applies) in addition to the maximum period otherwise applicable, under special circumstances in which the purposes of this part would most effectively be served thereby.

"(b) In addition to the number of fellowships authorized to be awarded by subsection (a) of this section, the Commissioner is authorized to award fellowships equal to the number previously awarded during any fiscal year under this section but vacated prior to the end of the period for which they were awarded; except that each fellowship awarded under this subsection shall be for such period of study, not in excess of the remainder of the period for which the fellowship which it replaces was awarded, as the Commissioner may determine.

"AWARD OF FELLOWSHIPS AND APPROVAL OF INSTITUTIONS

"SEC. 923. (a) Of the total number of fellowships authorized by section 922(a) to be awarded during a fiscal year (1) not less than one-third shall be awarded to individuals accepted for study in graduate programs approved by the Commissioner under this section, and (2) the remainder shall be awarded on such bases as he may determine, subject to the provisions of subsection (c). The Commissioner shall approve a graduate program of an institution of higher education only upon application by the institution and only upon his finding that the application contains satisfactory assurance that the institution will provide special orientation and practical experiences designed to prepare its fellowship recipients for academic careers at some level of education beyond the high school.

"(b) In determining priorities and procedures for the award of fellowships under this section, the Commissioner shall—

"(1) take into account present and projected needs for highly trained teachers in all areas of education beyond the high school,

"(2) give special attention to those institutions which have developed new doctoral-level programs especially tailored to prepare classroom teachers,

"(3) consider the need to prepare a larger number of teachers and other academic leaders from minority groups, but nothing contained in this clause shall be interpreted to require any educational institution to grant preference or disparate treatment to the members of one minority group on account of an imbalance which may exist with respect to the total number or percentage of persons of that group participating in or receiving the benefits of this program, in comparison with the total number or percentage of persons of that group in any community, State, section, or other area,

"(4) assure that at least one-half of all new fellowship recipients have demonstrated their competence outside of a higher education setting for at least two years subsequent to the completion of their undergraduate studies,

"(5) allow a fellowship recipient to interrupt his studies for up to one year for the purpose of work, travel, or independent study away from the campus, except that no stipend or travel expenses may be paid for such period, and

"(6) seek to achieve a reasonably equitable geographical distribution of graduate programs approved under this section, based upon such factors as student enrollments in institutions of higher education and population.

"(c) Recipients of fellowships under this part shall be persons who are interested in an academic career in eductional programs beyond the high school level and are pursuing, or intend to pursue, a course of study leading to a degree of doctor of philosophy, doctor of arts, or an equivalent degree.

"(d) No fellowship shall be awarded under this part for study at a school or department of divinity,

"FELLOWSHIP STIPENDS

"SEC. 924. (a) The Commissioner shall pay to persons awarded fellowships under this part such stipends (including such allowances for subsistence and other expenses for such persons and their dependents)

as he may determine to be consistent with prevailing practices under comparable federally supported programs.

"(b) The Commissioner shall (in addition to the stipends paid to persons under subsection (a)) pay to the institution of higher education at which such person is pursuing his course, of study, in lieu of tuition charged such person, such amounts as the Commissioner may determine to be consistent with prevailing practices under comparable federally supported programs, except that such amount shall not exceed $4,000 per academic year for any such person.

"FELLOWSHIP CONDITIONS

"SEC. 925. (a) A person awarded a fellowship under the provisions of this part shall continue to receive the payments provided in section 404 only during such periods as the Commissioner finds that he is maintaining satisfactory proficiency in, and devoting essentially full time to, study or research in the field in which such fellowship was awarded, in an institution of higher education, and is not engaging in gainful employment other than part-time employment by such institution in teaching, research, or similar activities, approved by the Commissioner.

"(b) The Commissioner is authorized to require reports containing such information in such form and to be filed at such times as he determines necessary from any person awarded a fellowship under the provisions of this part. Such reports shall be accompanied by a certificate from an appropriate official at the institution of higher education, library, archive, or other research center approved by the Commissioner, stating that such person is making satisfactory progress in, and is devoting essentially full time to, the program for which the fellowship was awarded.

"PART C—PUBLIC SERVICE FELLOWSHIPS

"AWARD OF PUBLIC SERVICE FELLOWSHIPS

"SEC. 941. (a) During the fiscal year ending June 30, 1973, and each of the two succeeding fiscal years, the Commissioner is authorized to award not to exceed five hundred fellowships in accordance with the provisions of this part for graduate or professional study for persons who plan to pursue a career in public service. Such fellowships shall be awarded for such periods as the Commissioner may determine but not to exceed three academic years.

"(b) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this part.

"ALLOCATION OF FELLOWSHIPS

"SEC. 942. The Commissioner shall allocate fellowships under this part among institutions of higher education with programs approved under the provisions of this part for the use of individuals accepted into such programs, in such manner and according to such plan as will insofar as practicable—

"(1) provide an equitable distribution of such fellowships throughout the United States; and

"(2) attract recent college graduates to pursue a career in public service.

"APPROVAL OF PROGRAMS

"SEC. 943. The Commissioner shall approve a graduate or professional program of an institution of higher education only upon application by the institution and only upon his findings—

"(1) that such program has as a principal or significant objective the education of persons for the public service, or the education of persons in a profession or vocation for whose practitioners there is a significant continuing need in the public service as determined by the Commissioner after such consultation with other agencies as may be appropriate;

"(2) that such program is in effect and of high quality, or can readily be put into effect and may reasonably be expected to be of high quality;

"(3) that the application describes the relation of such program to any program, activity, research, or development set forth by the applicant in an application, if any, submitted pursuant to section 901(a)(2); and

"(4) that the application contains satisfactory assurance that (A) the institution will recommend to the Commissioner, for the award of fellowships under this part, for study in such program, only persons of superior promise who have demonstrated to the satisfaction of the institution a serious intent to enter the public service upon completing the program, and (B) the institution will make reasonable continuing efforts to encourage recipients of fellowships under this part, enrolled in such programs, to enter the public service upon completing the program.

"STIPENDS

"SEC. 944. (a) The Commissioner shall pay to persons awarded fellowships under this part such stipends (including such allowances for subsistence and other expenses for such persons and their dependents) as he may determine to be consistent with prevailing practices under comparable federally supported programs.

"(b) The Commissioner shall (in addition to the stipends paid to persons under subsection (a)) pay to the institution of higher education at which such person is pursuing his course of study such amount as the Commissioner may determine to be consistent with prevailing practices under comparable federally supported programs.

"FELLOWSHIP CONDITIONS

"Sec. 945. (a) A person awarded a fellowship under the provisions of this part shall continue to receive the payments provided in this part only during such periods as the Commissioner finds that he is maintaining satisfactory proficiency and devoting full time to study or research in the field in which such fellowship was awarded in an institution of higher education, and is not engaging in gainful employment other than employment approved by the Commissioner by or pursuant to regulation.

"(b) The Commissioner is authorized to require reports containing such information in such form and to be filed at such times as he determines necessary from any person awarded a fellowship under the provisions of this part. Such reports shall be accompanied by a certificate from an appropriate official at the institution of higher education, library, archive,

or other research center approved by the Commissioner, stating that such person is making satisfactory progress in, and is devoting essentially full time to, the program for which the fellowship was awarded.

"(c) No fellowship shall be awarded under this part for study at a school or department of divinity.

"PART D—FELLOWSHIPS FOR OTHER PURPOSES

"PROGRAM AUTHORIZED

"SEC. 961. (a) It is the purpose of this part to provide fellowships—

"(1) to assist graduate students of exceptional ability who demonstrate a financial need for advanced study in domestic mining and mineral and mineral fuel conservation including oil, gas, coal, oil shale, and uranium; and

"(2) for persons of ability from disadvantaged backgrounds, as determined by the Commissioner, undertaking graduate or professional study.

The demonstration of financial need shall be determined in accordance with regulations prescribed by the Commissioner.

"(b)(1) The Commissioner is authorized to award under the provisions of this part not to exceed five hundred fellowships for the fiscal year ending June 30, 1973, and for each of the two succeeding fiscal years. Appropriations made pursuant to section 965 for fellowships awarded under clause (2) of subsection (a) of this section may not exceed $1,000,000 in any fiscal year.

"(2) In addition to the number of fellowships authorized to be awarded under paragraph (1), the Commissioner is authorized to award fellowships equal to the number previously awarded during any fiscal year under this part but vacated prior to the end of the period for which they were awarded except that each fellowship awarded under this paragraph shall be for such period of graduate or professional work or research not in excess of the remainder of the period for which the fellowship it replaces was awarded as the Commissioner may determine.

"(c) Fellowships awarded under this part shall be for graduate and professional study leading to an advanced degree or research incident to the presentation of a doctoral dissertation. Such fellowships may be awarded for graduate and professional study and research at any institution of higher education or any other research center approved for such purpose by the Commissioner. Such fellowships shall be awarded for such periods as the Commissioner may determine but not to exceed three years.

"AWARD OF FELLOWSHIPS

"SEC. 962. Recipients of fellowships under this part shall be—

"(1) persons who have been accepted by an institution of higher education for graduate study leading to an advanced degree or for a professional degree, or

"(2) persons who have completed all course work required for granting of a doctoral degree or an equivalent degree (except such course work credited on the dissertation) and comprehensive examinations where appropriate, and whose doctoral dissertation (or other equivalent dissertation) proposal has been approved by appropriate officials of an institution of higher education.

"STIPENDS AND INSTITUTION OF HIGHER EDUCATION ALLOWANCES

"SEC. 963. (a) The Commissioner shall pay to persons awarded fellowships under this part such stipends as he may determine to be consistent with prevailing practices under comparable federally supported programs, except that the stipend shall not be less than $2,800 for each academic year study. An additional amount of $300 for each such year shall be paid to each such person on account of each of his dependents, not to exceed the amount of $1,500 per academic year.

"(b) In addition to the amount paid to persons pursuant to subseciton (a) there shall be paid to the institution of higher education at which each such person is pursuing his course of study an amount equal to 150 per centum of the amount paid to such person, less the amount paid on account of each of such person's dependents, to such person, less any amount charged such person for tuition.

"(c) The Commissioner shall reimburse any person awarded a fellowship pursuant to this part for actual and necessary traveling expenses of such person and his dependents from his ordinary place of residence to the institution of higher education, library, archive, or other research center where he will pursue his studies under such fellowship, and to return to such residence.

"FELLOWSHIP CONDITIONS

"SEC. 964. (a) A person awarded a fellowship under the provisions of this part shall continue to receive the payments provided in this part only during such periods as the Commissioner finds that he is maintaining satisfactory proficiency and devoting full time to study or research in the field in which such fellowship was awarded in an institution of higher education, and is not engaging in gainful employment other than employment approved by the Commissioner by or pursuant to regulation.

"(b) The Commissioner is authorized to require reports containing such information in such form and to be filed at such times as he determines necessary from any person awarded a fellowship under the provisions of this part. Such reports shall be accompanied by a certificate from an appropriate official at the institution of higher education, library, archive, or other research center approved by the Commissioner, stating that such person is making satisfactory progress in, and is devoting essentially full time to, the program for which the fellowship was awarded.

"(c) No fellowship shall be awarded under this title for study at a school or department of divinity.

"APPROPRIATIONS AUTHORIZED

"SEC. 965. There are authorized to be appropriated such sums as may be necessary for the purposes of this part.".

EXTENSION AND EXPANSION OF TITLE VI OF THE NATIONAL DEFENSE EDUCATION ACT

SEC. 182. (a) Section 601 of the National Defense Education Act of 1958 is amended to read as follows:

"LANGUAGE AND AREA CENTERS AND PROGRAMS

"SEC. 601. (a) The Secretary is authorized to make grants to or contracts with institutions of higher education for the purposes of establishing, equipping, and operating graduate and undergraduate centers and programs for the teaching of any modern foreign language, for instruction in other fields needed to provide a full understanding of the areas, regions, or countries in which such language is commonly used, or for research and training in international studies and the international aspects of professional and other fields of study. Any such grant or contract may cover all or part of the cost of the establishment or operation of a center or program, including the costs of faculty, staff, and student travel in foreign areas, regions, or countries, and the costs of travel of foreign scholars to teach or conduct research, and shall be made on such conditions as the Secretary finds necessary to carry out the purposes of this section.

"(b) The Secretary is also authorized to pay stipends to individuals undergoing advanced training in any center or under any program receiving Federal financial assistance under this title, including allowances for dependents and for travel for research and study here and abroad, but only upon reasonable assurance that the recipients of such stipends will, on completion of their training, be available for teaching service in an institution of higher education or elementary or secondary school, or such other service of a public nature as may be permitted in the regulations of the Secretary.

"(c) No funds may be expended under this title for undergraduate travel except in accordance with rules prescribed by the Secretary setting forth policies and procedures to assure that Federal funds made available for such travel are expended as part of a formal program of supervised study.".

(b) Section 603 of such Act is amended by strking out "and $38,500,000 for the fiscal year ending June 30, 1971," and by inserting in lieu thereof the following: "$38,500,000 for each of the fiscal years ending June 30, 1971, and June 30, 1972, $50,000,000 for the fiscal year ending June 30, 1973, and $75,000,000 for each of the fiscal years ending June 30, 1974, and June 30, 1975,".

EXTENSION OF THE INTERNATIONAL EDUCATION ACT OF 1966

SEC. 183. Section 105(a) of the International Education Act of 1966 is amended by inserting after the second sentence thereof the following new sentence: "There are authorized to be appropriated $20,000,000 for the fiscal year ending June 30, 1973, $30,000,000 for the fiscal year ending June 30, 1974, and $40,000,000 for the fiscal year ending June 30, 1975, for the purpose of carrying out the provisions of this title.".

PART J—IMPROVEMENT OF COMMUNITY COLLEGES AND OCCUPATIONAL EDUCATION

AMENDMENT TO THE TITLE X OF THE HIGHER EDUCATION ACT OF 1965

SEC. 186. (a)(1) Title X of the Higher Education Act of 1965 is amended to read as follows:

"TITLE X—COMMUNITY COLLEGES AND OCCUPATIONAL EDUCATION

"PART A—ESTABLISHMENT AND EXPANSION OF COMMUNITY COLLEGES

"Subpart 1—Statewide Plans

"SEC. 1001. (a) Each State Commission (established or designated under section 1202) of each State which desires to receive assistance under this subpart shall develop a statewide plan for the expansion or improvement of postsecondary education programs in community colleges or both. Such plan shall among other things—

"(1) designate areas, if any, of the State in which residents do not have access to at least two years of tuition-free or low-tuition postsecondary education within reasonable distance;

"(2) set forth a comprehensive statewide plan for the establishment, or expansion, and improvement of community colleges, or both, which would achieve the goal of making available, to all residents of the State an opportunity to attend a community college (as defined in section 1018);

"(3) establish priorities for the use of Federal and non-Federal financial and other resources which would be necessary to achieve the goal set forth in clause (2);

"(4) make recommendations with respect to adequate State and local financial support, within the priorities set forth pursuant to clause (3), for community colleges;

"(5) set forth a statement analyzing the duplications of postsecondary educational programs and make recommendations for the coordination of such programs in order to eliminate unnecessary or excessive duplications; and

"(6) set forth a plan for the use of existing and new educational resources in the State in order to achieve the goal set forth in clause (2), including recommendations for the modification of State plans for federally assisted vocational education, community services, and academic facilities as they may affect community colleges.

In carrying out its responsibilities under this subsection, each State Commission shall establish an advisory council on community colleges which shall—

"(A) be composed of—

"(i) a substantial number of persons in the State (including representatives of State and local agencies) having responsibility for the operation of community colleges;

"(ii) representatives of State agencies having responsibility for or an interest in postsecondary education; and

"(iii) the general public;

"(B) have responsibility for assisting and making recommendations to the State Commission in developing the Statewide plan required under this section;

"(C) conduct such hearings as the State Commission may deem advisable; and

"(D) pursuant to requirements established by the State Commission, provide each State and local agency within the State responsible for postsecondary education an opportunity to review and make recommendations with respect to such plan.

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"(b)(1) There is hereby authorized to be appropriated $15,700,000 during the period beginning July 1, 1972, and ending June 30, 1974, to carry out the provisions of this section.

"(2) Sums appropriated pursuant to paragraph (1) shall be allotted by the Commissioner equally among the States, except that the amount allotted to Guam, American Samoa, and the Virgin Islands shall not exceed $100,000 each. Such sums shall remain available until expended.

"(c) Each plan developed and adopted pursuant to subsection (a) shall be submitted to the Commissioner for his approval. The Commissioner shall not approve any plan unless he determines that it fulfills the requirements of this section.

"Subpart 2—Establishment and Expansion of Community Colleges

"PROGRAM AUTHORIZATION

"SEC. 1011. (a) In order to encourage and assist those States and localities which so desire in establishing or expanding community colleges, or both, the Commissioner shall carry out a program as provided in this subpart for making grants to community colleges in order to improve educational opportunities available through community colleges in such States.

"(b) For the purpose of carrying out this subpart, there are authorized to be appropriated $50,000,000 for the fiscal year ending June 30, 1973, $75,000,000 for the fiscal year ending June 30, 1974, and $150,000,000 for the fiscal year ending June 30, 1975.

"APPORTIONMENTS

"SEC. 1012. (a) From the sums appropriated pursuant to section 1011(b) for each fiscal year the Commissioner shall apportion not more than 5 per centum thereof among Puerto Rico, Guam, American Samoa and the Virgin Islands according to their respective needs. From the remainder of such sums the Commissioner shall apportion to each State an amount which bears the same ratio to such remainder as the population aged eighteen and over in such State bears to the total of such population in all States. For the purpose of the second sentence of this subsection, the term 'State' does not include Puerto Rico, Guam, American Samoa and the Virgin Islands.

"(b) The portion of any State's apportionment under subsection (a) for a fiscal year which the Commissioner determines will not be required, for the period such apportionment is available, for carrying out the purposes of this subpart shall be available for reapportionment from time to time, on such dates during such period as the Commissioner shall fix, to other States in proportion to the original apportionments to such States under subsection (a) for such year but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum which the Commissioner estimates such State needs and will be able to use for such period for carrying out such portion of its State plan referred to in section 1001(a)(2) approved under this subpart, and the total of such reductions shall be similarly reapportioned among the States whose proportionate amounts are not so reduced. Any amount reapportioned to a State under this subsection during a year shall be deemed part of its apportionment under subsection (a) for such year.

"ESTABLISHMENT GRANTS

"SEC. 1013. (a) The Commissioner is authorized to make grants to new community colleges to assist them in planning, developing, establishing, and conducting initial operations of new community colleges in areas of the States in which there are no existing community colleges or in which existing community colleges cannot adequately provide postsecondary educational opportunities for all of the residents thereof who desire and can benefit from postsecondary education.

"(b) For the purposes of subsection (a), the term 'new community college' means a board of trustees or other governing board (or its equivalent) which is established by, or pursuant to, the law of a State, or local government, for the purpose of establishing a community college, as defined in section 1018, or any existing board so established which has the authority to create, and is in the process of establishing, a new community college.

"EXPANSION GRANTS

"SEC. 1014. The Commissioner is authorized to make grants to existing community colleges to assist them—

"(1) in expanding their enrollment capacities,

"(2) in establishing new campuses, and

"(3) in altering or modifying their educational programs,

in order that they may (A) more adequately meet the needs, interests, and potential benefits of the communities they serve, or (B) provide educational programs especially suited to the needs of educationally disadvantaged persons residing in such communities.

"LEASE OF FACILITIES

"SEC. 1015. (a) The Commissioner is authorized to make grants to community colleges to enable them to lease facilities, for a period of not to exceed five years, in connection with activities carried out by them under section 1013 or section 1014.

"(b) The Federal share of carrying out a project through a grant under this section shall not exceed—

"(1) 70 per centum of the cost of such project for the first year of assistance under this section;

"(2) 50 per centum thereof for the second such year;

"(3) 30 per centum thereof for the third such year; and

"(4) 10 per centum thereof for the fourth such year.

"APPLICATIONS; FEDERAL SHARE

"SEC. 1016. (a)(1) Grants under sections 1013 and 1014 may be made only upon application to the Commissioner. Applications for assistance under such sections shall be submitted at such time, in such manner and form, and containing such information as the Commissioner shall require by regulation.

"(2) No application submitted pursuant to paragraph (1) shall be approved unless the Commissioner determines that it is consistent with the plan approved by him under section 1001 from the State in which the applicant is located.

"(b)(1) No application for assistance under section 1013 or 1014 shall be approved for a period of assistance in excess of four years.

"(2) The Federal share of the cost of carrying out the project for which assistance is sought in an application submitted pursuant to this section shall not exceed—

"(A) 40 per centum of such cost for the first year of assistance;

"(B) 30 per centum thereof for the second year of assistance;

"(C) 20 per centum thereof for the third year of assistance; and

"(D) 10 per centum thereof for the fourth year of assistance.

"(c) (1) Funds appropriated pursuant to section 1011 and granted under section 1013 or 1014 shall, subject to paragraph (2), be available for those activities the Commissioner determines to be necessary to carry out the purposes of such sections.

"(2) Such funds may be used (A) to remodel or renovate existing facilities, or (B) to equip new and existing facilities, but such funds may not be used for the construction of new facilities or the acquisition of existing facilities.

"PAYMENTS

"SEC. 1017. From the amount apportioned to each State pursuant to section 1012, the Commissioner shall pay to each applicant from that State which has had an application for assistance approved under this subpart the Federal share of the amount expended under such application.

"DEFINITIONS

"SEC. 1018. As used in this title, the term 'community college' means any junior college, postsecondary vocational school, technical institute, or any other educational institution (which may include a four-year institution of higher education or a branch thereof) in any State which—

"(1) is legally authorized within such State to provide a program of education beyond secondary education;

"(2) admits as regular students persons who are high school graduates or the equivalent, or at least 18 years of age;

"(3) provides a two-year postsecondary educational program leading to an associate degree, or acceptable for credit toward a bachelor's degree, and also provides programs of postsecondary vocational, technical, occupational, and specialized education;

"(4) is a public or other nonprofit institution;

"(5) is accredited as an institution by a nationally recognized accrediting agency or association, or if not so accredited—

"(A) is an institution that has obtained recognized pre-accreditation status from a nationally recognized accrediting body, or

"(B) is an institution whose credits are accepted on transfer, by not less than three accredited institutions, for credit on the same basis as if transferred from an institution so accredited.

"PART B—OCCUPATIONAL EDUCATION PROGRAMS

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1051. For the purpose of carrying out this part, there are hereby authorized to be appropriated $100,000,000 for the fiscal year ending June 30, 1973, $250,000,000 for the fiscal year ending June 30, 1974, and $500,000,000 for the fiscal year ending June 30, 1975. Eighty per centum of the funds appropriated for the first year for which funds are appropriated under this section shall be available for the purposes of establishing

administrative arrangements under section 1055, making planning grants under section 1056, and for initiating programs under section 1057 in those States which have complied with the planning requirements of section 1056; and 20 per centum shall be available only for technical assistance under section 1059(a). From the amount appropriated for each succeeding fiscal year 15 per centum shall be reserved to the Commissioner for grants and contracts pursuant to section 1059(b).

"ALLOTMENTS AND REALLOTMENTS AMONG STATES

"SEC. 1052. (a) From the sums appropriated under section 1051 for the first year for which funds are appropriated under that section (other than funds available only for technical assistance), the Commissioner shall first allot such sums as they may require (but not to exceed $50,000 each) to American Samoa and the Trust Territory of the Pacific Islands. From the remainder of such sums he shall allot to each State an amount which bears the same ratio to such remainder as the number of persons sixteen years of age or older in such State bears to the number of such persons in all the States, except that the amount allotted to each State shall not be less than $100,000.

"(b) From the sums appropriated for any succeeding fiscal year under such section (other than funds reserved to the Commissioner), the Commissioner shall first allot such sums as they may require (but not to exceed $500,000 each) to American Samoa and the Trust Territory of the Pacific Islands. From the remainder of such sums he shall allot to each State an amount which bears the same ratio to such remainder as the number of persons sixteen years of age or older in such State bears to the number of such persons in all the States, except that the amount allotted to each State shall not be less than $500,000.

"(c) The portion of any State's allotment under subsection (a) or (b) for a fiscal year which the Commissioner determines will not be required, for the period such allotment is available, for carrying out the purposes of this part shall be available for reallotment from time to time, on such date or dates during such periods as the Commissioner may fix, to other States in proportion to the original allotments to such States under subsection (a) or (b) for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum which the Commissioner estimates such States need and will be able to use for such period, and the total of such reductions shall be similarly reallotted among the States whose proportionate amounts are not so reduced. Any amount reallotted to a State under this subsection during a year shall be deemed part of its allotment under subsection (a) or (b) for such year.

"FEDERAL ADMINISTRATION

"SEC. 1053. The Secretary shall develop and carry out a program designed to promote and encourage occupational education, which program shall—

"(1) provide for the administration by the Commissioner of Education of grants to the States authorized by this part;

"(2) assure that manpower needs in subprofessional occupations in education, health, rehabilitation, and community and welfare services are adequately considered in the development of programs under this part;

"(3) promote and encourage the coordination of programs developed under this part with those supported under part A of this title, the Vocational Education Act of 1963, the Manpower Development and Training Act of 1962, title I of the Economic Opportunity Act of 1964, the Public Health Service Act, and relat' activities administered by various departments and agencies of the Federal Government; and

"(4) provide for the continuous assessment of needs in occupational education and for the continuous evaluation of programs supported under the authority of this part and of related provisions of law.

"GENERAL RESPONSIBILITIES OF COMMISSIONER OF EDUCATION

"SEC. 1054. The Commissioner shall, in addition to the specific responsibilities imposed by this part, develop and carry out a program of occupational education that will—

"(1) coordinate all programs administered by the Commissioner which specifically relate to the provisions of this part so as to provide the maximum practicable support for the objectives of this part;

"(2) promote and encourage occupational preparation, counseling and guidance, and job placement or placement in postsecondary occupational education programs as a responsibility of elementary and secondary schools;

"(3) utilize research and demonstration programs administered by him to assist in the development of new and improved instructional methods and technology for occupational education and in the design and testing of models of schools or school systems which place occupational education on an equal footing with academic education;

"(4) assure that the Education Professions Development Act and similar programs of general application will be so administered as to provide a degree of support for vocational, technical, and occupational education commensurate with national needs and more nearly representative of the relative size of the population to be served; and

"(5) develop and disseminate accurate information on the status of occupational education in all parts of the Nation, at all levels of education, and in all types of institutions, together with information on occupational opportunities available to persons of all ages.

"STATE ADMINISTRATION

"SEC. 1055. (a) Any State desiring to participate in the program authorized by this part shall in accordance with State law establish a State agency or designate an existing State agency which will have sole responsibility for fiscal management and administration of the program, in accordance with the plan approved under this part, and which adopts administrative arrangements which will provide assurances satisfactory to the Commissioner that—

"(1) the State Advisory Council on Vocational Education will be charged with the same responsibilities with respect to the program authorized by this part as it has with respect to programs authorized under the Vocational Education Act of 1963;

"(2) there is adequate provision for individual institutions or groups of institutions and for local educational agencies to appeal and obtain a hearing from the State administrative agency with respect to policies, procedures, programs, or allocation of resources

under this part with which such institution or institutions or such agencies disagree.

"(b) The Commissioner shall approve any administrative arrangements which meet the requirements of subsection (a), and shall not finally disapprove any such arrangements without affording the State administrative agency a reasonable opportunity for a hearing. Upon the final disapproval of any arrangement, the provisions for judicial review set forth in section 1058(b) shall be applicable.

"PLANNING GRANTS FOR STATE OCCUPATIONAL EDUCATION PROGRAMS

"SEC. 1056. (a) Upon the application of a State Commission (established or designated pursuant to section 1202), the Commissioner shall make available to the State the amount of its allotment under section 1052 for the following purposes—

"(1) to strengthen the State Advisory Council on Vocational Education in order that it may effectively carry out the additional functions imposed by this part; and

"(2) to enable the State Commission to initiate and conduct a comprehensive program of planning for the establishment of the program authorized by this part.

"(b)(1) Planning activities initiated under clause (2) of subsection (a) shall include—

"(A) an assessment of the existing capabilities and facilities for the provision of postsecondary occupational education, together with existing needs and projected needs for such education in all parts of the State;

"(B) thorough consideration of the most effective means of utilizing all existing institutions within the State capable of providing the kinds of programs assisted under this part, including (but not limited to) both private and public community and junior colleges, area vocational schools, accredited private proprietary institutions, technical institutes, manpower skill centers, branch institutions of State colleges or universities, and public and private colleges and universities;

"(C) the development of an administrative procedure which provides reasonable promise for resolving differences between vocational educators, community and junior college educators, college and university educators, elementary and secondary educators, and other interested groups with respect to the administration of the program authorized under this part; and

"(D) the development of a long-range strategy for infusing occupational education (including general orientation, counseling and guidance, and placement either in a job or in postsecondary occupational programs) into elementary and secondary schools on an equal footing with traditional academic education, to the end that every child who leaves secondary school is prepared either to enter productive employment or to undertake additional education at the postsecondary level, but without being forced prematurely to make an irrevocable commitment to a particular educational or occupational choice; and

"(E) the development of procedures to insure continuous planning and evaluation, including the regular collection of data which would be readily available to the State administrative agency, the State Advisory Council on Vocational Education, individual educational institutions, and other interested parties (including concerned private citizens).

"(2) *Planning activities carried on by the State Commission under this section shall involve the active participation of—*

"(A) *the State board for vocational education;*

"(B) *the State agency having responsibility for community and junior colleges;*

"(C) *the State agency having responsibility for higher education institutions or programs;*

"(D) *the State agency responsible for administering public elementary and secondary education;*

"(E) *the State agency responsible for programs of adult basic education;*

"(F) *representatives of all types of institutions in the State which are conducting or which have the capability and desire to conduct programs of postsecondary occupational education;*

"(G) *representatives of private, nonprofit elementary and secondary schools;*

"(H) *the State employment security agency, the State agency responsible for apprenticeship programs, and other agencies within the State having responsibility for administering manpower development and training programs;*

"(I) *the State agency responsible for economic and industrial development;*

"(J) *persons familiar with the occupational education needs of the disadvantaged, of the handicapped, and of minority groups; and*

"(K) *representatives of business, industry, organized labor, agriculture, and the general public.*

"(c) *The Commissioner shall not approve any application for a grant under section 1057 of this part unless he is reasonably satisfied that the planning described in this section (whether or not assisted by a grant under this section) has been carried out.*

"PROGRAM GRANTS FOR STATE OCCUPATIONAL EDUCATION PROGRAMS

"SEC. 1057. (a) *From the allotments available to the States under section 1052(b) (upon application by the State administrative agency designated or established under section 1055), the Commissioner shall make grants to any State which has satisfied the requirements of section 1058. Such grants may be used for the following purposes—*

"(1) *assist the State administrative agency designated or established under section 1055;*

"(2) *the design, establishment, and conduct of programs of postsecondary occupational education (or the expansion and improvement of existing programs) as defined by section 1060 of this part;*

"(3) *the design, establishment, and conduct of programs to carry out the long-range strategy developed pursuant to section 1056(b)(1)(D) for infusing into elementary and secondary education occupational preparation, which shall include methods of involving secondary schools in occupational placement and methods of providing followup services and career counseling and guidance for persons of all ages as a regular function of the educational system;*

"(4) *the design of high-quality instructional programs to meet the needs for postsecondary occupational education and the development of an order of priorities for placing these programs in operation;*

"(5) *special training and preparation of persons to equip them to teach, administer, or otherwise assist in carrying out the program*

authorized under this part (such as programs to prepare journeymen in the skilled trades or occupations for teaching positions); and

"(6) the leasing, renting, or remodeling of facilities required to carry out the program authorized by this part.

"(b) Programs authorized by this part may be carried out through contractual arrangements with private organizations and institutions organized for profit where such arrangements can make a contribution to achieving the purposes of this part by providing substantially equivalent education, training, or services more readily or more economically, or by preventing needless duplication of expensive physical plant and equipment, or by providing needed education or training of the types authorized by this part which would not otherwise be available.

"ASSURANCES; JUDICIAL REVIEW

"SEC. 1058. (a) Before making any program grant under this part the Commissioner shall receive from the State Commission an assurance satisfactory to him that the planning requirements of section 1056 have been met and from the State administrative agency assurances satisfactory to him that—

"(1) the State Advisory Council on Vocational Education has had a reasonable opportunity to review and make recommendations concerning the design of the programs for which the grant is requested;

"(2) Federal funds made available under this part will result in improved occupational education programs, and in no case supplant State, local, or private funds;

"(3) adequate provision has been made by such agency for programs described in section 1057(a)(3);

"(4) provision has been made for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid to the State under this part;

"(5) to the extent consistent with the number of students enrolled in nonprofit private schools in the area to be served by an elementary or secondary school program funded under this part, provision has been made for the effective participation of such students; and

"(6) reports will be made in such form and containing such information as the Commissioner may reasonably require to carry out his functions under this part.

"(b)(1) Whenever the Commissioner, after reasonable notice and opportunity for a hearing to the State administrative agency, finds that any of the assurances required by subsection (a) are unsatisfactory, or that in the administration of the program there is a failure to comply with such assurances or with other requirements of the part, the Commissioner shall notify the administrative agency that no further payments will be made to the State under this part until he is satisfied there has been or will be compliance with the requirements of the part.

"(2) A State administrative agency which is dissatisfied with a final action of the Commissioner under this section or under section 1055 (with respect to approval of State administration) may appeal to the United States court of appeals for the circuit in which the State is located, by filing a petition with such court within sixty days after such final action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner, or any officer designated by him

for that purpose. The Commissioner thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part, temporarily or permanently but until the filing of the record the Commissioner may modify or set aside his action. The findings of the Commissioner as to the facts, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence. The judgment of the court affirming or setting aside, in whole or in part, any action of the Commissioner shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this subsection shall not, unless so specifically ordered by the court, operate as a stay of the Commissioner's action.

"TECHNICAL ASSISTANCE; MODEL PROGRAMS

"SEC. 1059. (a) The Commissioner shall make available (to the extent practicable) technical assistance to the States in planning, designing, and carrying out the program authorized by this part upon the request of the appropriate State agency designated or established pursuant to section 1055 or section 1202 and the Commissioner shall take affirmative steps to acquaint all interested organizations, agencies, and institutions with the provision of this part and to enlist broad public understanding of its purposes.

"(b) From the sums reserved to the Commissioner under section 1051, he shall by grant or contract provide assistance—

"(1) for the establishment and conduct of model or demonstration programs which in his judgment will promote the achievement of one or more purposes of this part and which might otherwise not be carried out (or not be carried out soon enough or in such a way as to have the desirable impact upon the purposes of the part);

"(2) as an incentive or supplemental grant to any State administrative agency which makes a proposal for advancing the purposes of this part which he feels holds special promise for meeting occupational education needs of particular groups or classes of persons who are disadvantaged or who have special needs, when such proposal could not reasonably be expected to be carried out under the regular State program; and

"(3) for particular programs or projects eligible for support under this part which he believes have a special potential for helping to find solutions to problems on a regional or national basis.

"(c) In providing support under subsection (b) the Commissioner may as appropriate make grants to or contracts with public or private agencies, organizations, and institutions, but he shall give first preference to applications for projects or programs which are administered by or approved by State administrative agencies, and he shall in no case make a grant or contract within any State without first having afforded the State administrative agency reasonable notice and opportunity for comment and for making recommendations.

"DEFINITIONS

"SEC. 1060. For the purposes of this part—

"(1) The term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, and (except for the purposes of subsections (a) and (b) of section 1052) American Samoa, and the Trust Territory of the Pacific Islands.

"(2) The term 'postsecondary occupational education' means education, training, or retraining (and including guidance, counseling, and placement services) for persons sixteen years of age or older who have graduated from or left elementary or secondary school, conducted by an institution legally authorized to provide postsecondary education within a State, which is designed to prepare individuals for gainful employment as semi-skilled or skilled workers or technicians or subprofessionals in recognized occupations (including new and emerging occupations), or to prepare individuals for enrollment in advanced technical education programs, but excluding any program to prepare individuals for employment in occupations which the Commissioner determines, and specifies by regulation, to be generally considered professional or which require a baccalaureate or advanced degree.

"PART C—ESTABLISHMENT OF AGENCIES

"ESTABLISHMENT OF BUREAU OF OCCUPATIONAL AND ADULT EDUCATION

"SEC. 1071. (a) There is hereby established in the United States Office of Education a Bureau of Occupational and Adult Education hereinafter referred to as the Bureau, which shall be responsible for the administration of this title, the Vocational Education Act of 1963, including parts C and I thereof, the Adult Education Act, functions of the Office of Education relating to manpower training and development, functions of the Office relating to vocational, technical, and occupational training in community and junior colleges, and any other Act vesting authority in the Commissioner for vocational, occupational, adult and continuing education and for those portions of any legislation for career education which are relevant to the purposes of other acts administered by the Bureau.

"(b)(1) The Bureau shall be headed by a person (appointed or designated by the Commissioner) who is highly qualified in the fields of vocational, technical, and occupational education, who is accorded the rank of Deputy Commissioner, and who shall be compensated at the rate specified for grade 18 of the General Schedule set forth in section 5332 of title 5, United States Code.

"(2) Additional positions are created for, and shall be assigned to, the Bureau as follows:

"(A) Three positions to be placed in grade 17 of such General Schedule, one of which shall be filled by a person with broad experience in the field of junior and community college education,

"(B) Seven positions to be placed in grade 16 of such General Schedule, at least two of which shall be filled by persons with broad experience in the field of postsecondary-occupational education in community and junior colleges, at least one of which shall be filled by a person with broad experience in education in private proprietary institutions, and at least one of which shall be filled by a person with

professional experience in occupational guidance and counseling, and

"(C) Three positions which shall be filled by persons at least one of whom is a skilled worker in a recognized occupation, another is a subprofessional technician in one of the branches of engineering, and the other is a subprofessional worker in one of the branches of social or medical services, who shall serve as senior advisers in the implementation of this title.

"COMMUNITY COLLEGE UNIT

"SEC. 1072. (a) There is established, in the Office of Education, a Community College Unit (in this section referred to as the 'Unit') which shall have the responsibility for coordinating all programs administered by the Commissioner which affect, or can benefit, community colleges, including such programs assisted under this Act, and the Vocational Education Act of 1963.

"(b) The Unit shall be headed by a Director who shall be placed in grade 17 of the General Schedule under section 5332 of title 5, United States Code.".

(2) The positions created by section 1071 and section 1072 of the Higher Education Act of 1965 shall be in addition to the number of positions placed in the appropriate grades under section 5108, title 5, United States Code.

(b) The amendments made by subsection (a) shall be effective after June 30, 1972.

PART K—LAW SCHOOL CLINICAL EXPERIENCE PROGRAMS

AMENDMENTS TO TITLE XI OF THE HIGHER EDUCATION ACT OF 1965

SEC. 191. (a) Title XI of the Higher Education Act of 1965 is amended by inserting "grant or" before "contract", and "grants or" before "contracts" wherever they appear.

(b) Clause (5) of section 1101(b) of such Act is amended to read as follows:

"(5) equipment and library resources; and".

(c) Section 1103 of such Act is amended by striking out "$340,000 for the fiscal year ending June 30, 1969", and by striking out "fiscal years ending June 30, 1970, and June 30, 1971", and inserting in lieu thereof "succeeding fiscal years ending prior to July 1, 1975". Such section is further amended by striking out the second sentence.

(d) The amendments made by this section shall be effective after June 30, 1971.

PART L—POSTSECONDARY EDUCATION COMMISSION, COMPREHENSIVE PLANNING, AND COST OF EDUCATION DATA

AMENDMENTS TO TITLE XII OF THE HIGHER EDUCATION ACT OF 1965

SEC. 196. Title XII of the Higher Education Act of 1965 is amended by adding after section 1201 the following two new sections:

"STATE POSTSECONDARY EDUCATION COMMISSIONS

"SEC. 1202. (a) Any State which desires to receive assistance under section 1203 or title X shall establish a State Commission or designate an existing State agency or State Commission (to be known as the State Commission) which is broadly and equitably representative of the general public and public and private nonprofit and proprietary institutions of postsecondary education in the State including community colleges (as defined in title X), junior colleges, postsecondary vocational schools, area vocational schools, technical institutes, four-year institutions of higher education and branches thereof.

"(b) Such State Commission may establish committees or task forces, not necessarily consisting of Commission members, and utilize existing agencies or organizations, to make studies, conduct surveys, submit recommendations, or otherwise contribute the best available expertise from the institutions, interest groups, and segments of the society most concerned with a particular aspect of the Commission's work.

"(c)(1) At any time after July 1, 1973, a State may designate the State Commission established under subsection (a) as the State agency or institution required under section 105, 603, or 704. In such a case, the State Commission established under this section shall be deemed to meet the requirements of such sections for State agencies or institutions.

"(2) If a State makes a designation referred to in paragraph (1)—

"(A) the Commissioner shall pay the State Commission the amount necessary for the proper and efficient administration of the Commission of the functions transferred to it by reason of the designation; and

"(B) the State Commission shall be considered the successor agency to the State agency or institution with respect to which the designation is made, and action theretofore taken by the State agency or institution shall continue to be effective until changed by the State Commission.

"(d) Any State which desires to receive assistance under title VI or under title VII but which does not desire, after June 30, 1973, to place the functions of State Commissions under such titles under the authority of the State Commission established pursuant to subsection (a) shall establish for the purposes of such titles a State Commission which is broadly representative of the public and of institutions of higher education (including junior colleges and technical institutes) in the State. Such State Commissions shall have the sole responsibility for the administration of State plans under such titles VI and VII within such State.

"COMPREHENSIVE STATEWIDE PLANNING

"SEC. 1203. (a) The Commissioner is authorized to make grants to any State Commission established pursuant to Section 1202 (a) to enable it to expand the scope of the studies and planning required in title X through comprehensive inventories of, and studies with respect to, all public and private postsecondary educational resources in the State, including planning necessary for such resources to be better coordinated, improved, expanded, or altered so that all persons within the State who desire, and who can benefit from, postsecondary education may have an opportunity to do so.

"(b) The Commissioner shall make technical assistance available to State Commissions, if so requested, to assist them in achieving the purposes of this section.

"(c) There are authorized to be appropriated such sums as may be necessary to carry out this section.".

FURNISHING COST OF EDUCATION DATA

SEC. 197. Title XII of the Higher Education Act of 1965 is further amended by adding at the end thereof the following new section:

"COST OF EDUCATION DATA

"SEC. 1206. The Commissioner may require as a condition of eligibility of any institution of higher education—

(1) for institutional aid, at the earliest practical date, or

(2) for student aid, after June 30, 1973,

that such institution supply such cost-of-education data as may be in the possession of such institution.

TITLE II—VOCATIONAL EDUCATION

SPECIAL PROGRAMS FOR THE DISADVANTAGED

SEC. 201. Section 102(b) of the Vocational Education Act of 1963 is amended by inserting after "1972," the following: "and for the succeeding fiscal years ending prior to July 1, 1975,".

CLARIFICATION OF DEFINITION OF VOCATIONAL EDUCATION WITH RESPECT TO INDIVIDUAL ARTS PROGRAMS; INCLUSION OF VOLUNTEER FIREMEN

SEC. 202. (a) Section 108(1) of the Vocational Education Act of 1963 is amended by inserting at the end thereof the following new sentence: "Such term includes industrial arts education programs in cases where the Commissioner determines by regulation that such programs will accomplish or facilitate one or more of the purposes of the first sentence of this paragraph.".

(b) Such section 108(1) is further amended by inserting immediately after the word "employment" the first time it appears in such section the following: "(including volunteer firemen)".

EXEMPLARY PROGRAMS AND PROJECTS

SEC. 203. Section 142(a) of the Vocational Education Act of 1963 is amended by striking out "two" and inserting in lieu thereof "five".

RESIDENTIAL VOCATIONAL SCHOOLS

SEC. 204. (a) Section 151(b) of the Vocational Education Act of 1963 is amended by striking out "the succeeding fiscal year" and inserting in lieu thereof "each of the succeeding fiscal years ending prior to July 1, 1975".

(b) Section 152(a)(1) of such Act is amended by striking out "July 1, 1972" and inserting in lieu thereof "July 1, 1975".

(c) Section 153(d)(2) of such Act is amended by striking out "July 1, 1971" and inserting in lieu thereof "July 1 of each of the four succeeding fiscal years".

CONSUMER AND HOMEMAKING EDUCATION

SEC. 205. (a) Section 161(a)(1) of the Vocational Education Act of 1963 is amended by striking out "the fiscal year ending June 30, 1972" and inserting in lieu thereof "each of the succeeding fiscal years ending prior to July 1, 1975".

(b) Section 161(c) of such Act is amended by striking out "and the two succeeding" and inserting in lieu thereof "and the five succeeding".

COOPERATIVE VOCATIONAL EDUCATION

SEC. 206. Section 172(a) of the Vocational Education Act of 1963 is amended by striking out "the fiscal year ending June 30, 1972" and inserting in lieu thereof "each of the succeeding fiscal years ending prior to July 1, 1975".

WORK-STUDY PROGRAMS

SEC. 207. Section 181(a) of the Vocational Education Act of 1963 is amended by inserting after "June 30, 1972," the following: "and for each of the succeeding fiscal years ending prior to July 1, 1975,".

CURRICULUM DEVELOPMENT

SEC. 208. Section 191(b) of the Vocational Education Act of 1963 is amended by striking out "July 1, 1972" and inserting in lieu thereof "July 1, 1975".

NATIONAL ADVISORY COUNCIL

SEC. 209. Section 104(a)(4) of the Vocational Education Act of 1963 is amended by striking out "two" and inserting in lieu thereof "five".

TITLE III—AMENDMENTS RELATING TO THE ADMINISTRATION OF EDUCATION PROGRAMS

AMENDMENT TO THE GENERAL EDUCATION PROVISIONS ACT

SEC. 301. (a) The General Education Provisions Act (title IV of Public Law 90-247) is amended—

(1) by redesignating parts A, B, and C thereof, and all references thereto, as parts B, C, and D and redesignating sections 401, 402, 403, 404, 405, 406, 411, 412, 413, 414, 415, 416, 417, 421, 422, 423, 424, 425, 426, 431, 432, 433, 434, 435, 436, 437, 438, and all references thereto, as sections 400, 411, 412, 413, 414, 415, 421, 422, 423, 424, 425, 426, 427, 431, 432, 433, 434, 435, 436, 441, 442, 443, 444, 445, 446, 447, and 448, respectively; and

(2) by inserting after section 400 (as redesignated by clause (1)) the following new part:

"PART A—EDUCATION DIVISION OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

"THE EDUCATION DIVISION

"SEC. 401. There shall be, within the Department of Health, Education, and Welfare, an Education Division which shall be composed of the Office of Education and the National Institute of Education, and shall be headed by the Assistant Secretary for Education.

"ASSISTANT SECRETARY FOR EDUCATION

"SEC. 402. (a) There shall be in the Department of Health, Education, and Welfare an Assistant Secretary for Education, who shall be appointed by the President by and with the advice and consent of the Senate. The Assistant Secretary for Education shall be compensated at the rate specified for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

"(b) The Assistant Secretary shall be the principal officer in the Department to whom the Secretary shall assign responsibility for the direction and supervision of the Education Division. He shall not serve as Commissioner of Education or as Director of the National Institute of Education on either a temporary or permanent basis.

"THE OFFICE OF EDUCATION

"SEC. 403. (a) The purpose and duties of the Office of Education shall be to collect statistics and facts showing the condition and progress of education in the United States, and to disseminate such information respecting the organization and management of schools and school systems, and methods of teaching, as shall aid the people of the United States in the establishment and maintenance of efficient school systems, and otherwise promote

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the cause of education throughout the country. The Office of Education shall not have authority which is not expressly provided for by statute or implied therein.

"(b)(1) The management of the Office of Education, shall, subject to the direction and supervision of the Secretary, be entrusted to a Commissioner of Education, who shall be appointed by the President by and with the advice and consent of the Senate, and who shall serve at the pleasure of the President.

"(2) The Commissioner may not engage in any other business, vocation, or employment while serving in any such position; nor may he, except with the express approval of the President in writing, hold any office in, or act in any capacity for, or have a financial interest in, any organization, agency, or institution to which the Office of Education makes a grant or with which it makes a contract or other financial arrangement.

"SUPPORT FOR IMPROVEMENT OF POSTSECONDARY EDUCATION

"SEC. 404. (a) Subject to the provisions of subsection (b), the Secretary is authorized to make grants to, and contracts with, institutions of postsecondary education (including combinations of such institutions) and other public and private educational institutions and agencies (except that no grant shall be made to an educational institution or agency other than a nonprofit institution or agency) to improve postsecondary educational opportunities by providing assistance to such educational institutions and agencies for—

"(1) encouraging the reform, innovation, and improvement of postsecondary education, and providing equal educational opportunity for all;

"(2) the creation of institutions and programs involving new paths to career and professional training, and new combinations of academic and experimental learning;

"(3) the establishment of institutions and programs based on the technology of communications;

"(4) the carrying out in postsecondary educational institutions of changes in internal structure and operations designed to clarify institutional priorities and purposes;

"(5) the design and introduction of cost-effective methods of instruction and operation;

"(6) the introduction of institutional reforms designed to expand individual opportunities for entering and reentering institutions and pursuing programs of study tailored to individual needs;

"(7) the introduction of reforms in graduate education, in the structure of academic professions, and in the recruitment and retention of faculties; and

"(8) the creation of new institutions and programs for examining and awarding credentials to individuals, and the introduction of reforms in current institutional practices related thereto.

"(b) No grant shall be made or contract entered into under subsection (a) for a project or program with any institution of postsecondary education unless it has been submitted to each appropriate State Commission established under section 1202 of the Higher Education Act of 1965, and an opportunity afforded such Commission to submit its comments and recommendations to the Secretary.

"(c) For the purposes of this section, the authority granted to the Commissioner in part D of this Act shall apply to the Secretary.

"(d) The Secretary may appoint, for terms not to exceed three years, without regard to the provisions of title 5 of the United States Code governing appointments in the competitive service, not more than five technical employees to administer this section who may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

"(e) There are authorized to be appropriated $10,000,000 for the fiscal year ending June 30, 1973, $50,000,000 for the fiscal year ending June 30, 1974, and $75,000,000 for the fiscal year ending June 30, 1975, for the purposes of this section.

"NATIONAL INSTITUTE OF EDUCATION

"SEC. 405. (a)(1) The Congress hereby declares it to be the policy of the United States to provide to every person an equal opportunity to receive an education of high quality regardless of his race, color, religion, sex, national origin, or social class. Although the American educational system has pursued this objective, it has not yet attained that objective. Inequalities of opportunity to receive high quality education remain pronounced. To achieve quality will require far more dependable knowledge about the processes of learning and education than now exists or can be expected from present research and experimentation in this field. While the direction of the education system remains primarily the responsibility of State and local governments, the Federal Government has a clear responsibility to provide leadership in the conduct and support of scientific inquiry into the educational process.

"(2) The Congress further declares it to be the policy of the United States to—

"(i) help to solve or to alleviate the problems of, and promote the reform and renewal of American education;

"(ii) advance the practice of education, as an art, science, and profession;

"(iii) strengthen the scientific and technological foundations of education; and

"(iv) build an effective educational research and development system.

"(b)(1) In order to carry out the policy set forth in subsection (a), there is established the National Institute of Education (hereinafter referred to as the 'Institute') which shall consist of a National Council on Educational Research (referred to in this section as the 'Council') and a Director of the Institute (hereinafter referred to as the 'Director'). The Institute shall have only such authority as may be vested therein by this section.

"(2) The Institute shall, in accordance with the provisions of this section, seek to improve education, including career education, in the United States through—

"(A) helping to solve or to alleviate the problems of, and achieve the objectives of American education;

"(B) advancing the practice of education, as an art, science, and profession;

"(C) the strengthening of the scientific and technological foundations of education; and

"(D) building an effective educational research and development system.

"(c)(1) The Council shall consist of fifteen members appointed by the President, by and with the advice and consent of the Senate, the Director,

and such other ex officio members who are officers of the United States as the President may designate. Eight members of the Council (excluding ex officio members) shall constitute a quorum. The Chairman of the Council shall be designated from among its appointed members by the President. Ex officio members shall not have a vote on the Council.

"(2) The term of office of the members of the Council (other than ex officio members) shall be three years, except that (A) the members first taking office shall serve as designated by the President, five for terms of three years, five for terms of two years, and five for terms of one year, and (B) any member appointed to fill a vacancy shall serve for the remainder of the term for which his predecessor was appointed. Any appointed member who has been a member of the Council for six consecutive years shall thereafter be ineligible for appointment to the Council during the two-year period following the expiration of such sixth year.

"(3) The Council shall—

"(A) establish general policies for, and review the conduct of, the Institute;

"(B) advise the Assistant Secretary and the Director of the Institute on development of programs to be carried out by the Institute;

"(C) present to the Assistant Secretary and the Director such recommendations as it may deem appropriate for the strengthening of educational research, the improvement of methods of collecting and disseminating the findings of educational research and of insuring the implementation of educational renewal and reform based upon the findings of educational research;

"(D) conduct such studies as may be necessary to fulfill its functions under this section;

"(E) prepare an annual report to the Assistant Secretary on the current status and needs of educational research in the United States;

"(F) submit an annual report to the President on the activities of the Institute, and on education and educational research in general, (i) which shall include such recommendations and comments as the Council may deem appropriate, and (ii) shall be submitted to the Congress not later than March 31 of each year; and

"(G) meet at the call of the Chairman, except that it shall meet (i) at least four times during each fiscal year, or (ii) whenever one-third of the members request in writing that a meeting be held.

The Director shall make available to the Council such information and assistance as may be necessary to enable the Council to carry out its functions.

"(d)(1) The Director of the Institute shall be appointed by the President, by and with the advice and consent of the Senate, and shall serve at the pleasure of the President. The Director shall be compensated at the rate provided for level V of the Executive Schedule under section 5316 of title 5, United States Code, and shall perform such duties and exercise such powers and authorities as the Council, subject to the general supervision of the Assistant Secretary, may prescribe. The Director shall be responsible to the Assistant Secretary and shall report to the Secretary through the Assistant Secretary and not to or through any other officer of the Department of Health, Education, and Welfare. The Director shall not delegate any of his functions to any other officer who is not directly responsible to him.

"(2) There shall be a Deputy Director of the Institute (referred to in this section as the 'Deputy Director') who shall be appointed by the Presi-

dent and shall serve at the pleasure of the President. The Deputy Director shall be compensated at the rate provided for grade 18 of the General Schedule set forth in section 5332 of title 5, United States Code, and shall act for the Director during the absence or disability of the Director and exercise such powers and authorities as the Director may prescribe. The position created by this paragraph shall be in addition to the number of positions placed in grade 18 of the General Schedule under section 5108 of title 5, United States Code.

"(e)(1) In order to carry out the objectives of the Institute, the Director is authorized, through the Institute, to conduct educational research; collect and disseminate the findings of educational research; train individuals in educational research; assist and foster such research, collection, dissemination, or training through grants, or technical assistance to, or jointly financed cooperative arrangements with, public or private organizations, institutions, agencies, or individuals; promote the coordination of such research and research support within the Federal Government; and may construct or provide (by grant or otherwise) for such facilities as he determines may be required to accomplish such purposes. As used in this subsection, the term 'educational research' includes research (basic and applied), planning, surveys, evaluations, investigations, experiments, developments, and demonstrations in the field of education (including career education).

"(2) Not less than 90 per centum of the funds appropriated pursuant to subsection (h) for any fiscal year shall be expended to carry out this section through grants or contracts with qualified public or private agencies and individuals.

"(3) The Director may appoint, for terms not to exceed three years, without regard to the provisions of title 5 of the United States Code governing appointment in the competitive service and may compensate without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, such technical or professional employees of the Institute as he deems necessary to accomplish its functions and also appoint and compensate without regard to such provisions not to exceed one-fifth of the number of full-time, regular technical or professional employees of the Institute.

"(f)(1) The Director, in order to carry out the provisions of this section, is authorized—

"(A) to make, promulgate, issue, rescind, and amend rules and regulations governing the manner of operation of the Institute;

"(B) to accept unconditional gifts or donations of services, money or property, real, personal or mixed, tangible or intangible;

"(C) without regard to section 3648 of the Revised Statutes of the United States (31 U.S.C. 529), United States Code, to enter into and perform such contracts, leases, cooperative agreements or other transactions as may be necessary for the conduct of the Institute's work and on such terms as he may deem appropriate with any agency or instrumentality of the United States, or with any State, territory or possession, or with any political subdivision thereof, or with any international organization or agency, or with any firm, association, corporation or educational institution, or with any person, without regard to statutory provisions prohibiting payment of compensation to aliens;

"(D) to acquire (by purchase, lease, condemnation or otherwise), construct, improve, repair, operate and maintain laboratories, research and testing facilities, computing devices, communications networks and machinery, and such other real and personal property or interest therein as deemed necessary;

"(E) to acquire (by purchase, lease, condemnation or otherwise) and to lease to others or to sell such property in accordance with the provisions of the Federal Property and Administrative Services Act, patents, copyrights, computing programs, theatrical and broadcast performance rights or any form of property whatsoever or any rights thereunder; and

"(F) to use the services, computation capacity, communications networks, equipment, personnel, and facilities of Federal and other agencies with their consent, with or without reimbursement. Each department and agency of the Federal Government shall cooperate fully with the Director in making its services, equipment, personnel and facilities available to the Institute.

"(2) All laborers and mechanics employed by contractors or subcontractors on all construction projects assisted under this title shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a–276a–5a). The Secretary of Labor shall have with respect to the labor standards specified in this section the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. 133z–15) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276(c)).

"(g) Where funds are advanced for a single project by more than one Federal agency for the purposes of this section, the National Institute of Education may act for all in administering the funds advanced.

"(h) There are hereby authorized to be appropriated, without fiscal year limitations, $550,000,000, in the aggregate, for the period beginning July 1, 1972, and ending June 30, 1975, to carry out the functions of the Institute. Sums so appropriated shall, notwithstanding any other provision of law unless enacted in express limitation of this subsection, remain available for the purposes of this subsection until expended.".

(b)(1) The amendments made by subsection (a) shall be effective after June 30, 1972.

(2)(A) Effective July 1, 1972, sections 516 and 517 of the Revised Statutes of the United States (20 U.S.C. 1, 2) are repealed.

(B) Effective July 1, 1972, section 422 of the General Education Provisions Act is amended by striking out "(as set forth in section 516 of the Revised Statutes (20 U.S.C. 1))" and inserting in lieu thereof "(as set forth in section 403(a) of this Act)".

LIMITATIONS ON AUTHORITY

SEC. 302. (a) Section 421 of the General Education Provisions Act (as so redesignated by section 301(a)(1)) is amended by adding at the end thereof the following:

"(c)(1)(A) Except in the case of a law which—

"(i) authorizes appropriations for carrying out, or controls the administration of, an applicable program, or

"(ii) is enacted in express limitation of the provisions of this paragraph,

no provision of any law shall be construed to authorize the consolidation of any applicable program with any other program. Where the provisions of law governing the administration of an applicable program permit the packaging or consolidation of applications for grants or contracts to attain simplicity or effectiveness of administration, nothing in this subparagraph shall be deemed to interfere with such packaging or consolidation.

"(B) No provision of any law which authorizes an appropriation for carrying out, or controls the administration of, an applicable program shall be construed to authorize the consolidation of any such program with any other program unless provision for such a consolidation is expressly made thereby.

"(C) For the purposes of this subsection, the term 'consolidation' means any agreement, arrangement, or the other procedure which results in—

"(i) the commingling of funds derived from one appropriation with those derived from another appropriation,

"(ii) the transfer of funds derived from an appropriation to the use of an activity not authorized by the law authorizing such appropriation,

"(iii) the use of practices or procedures which have the effect of requiring, or providing for, the approval of an application for funds derived from different appropriations according to any criteria other than those for which provision is made (either expressly or implicitly) in the law which authorizes the appropriation of such funds, or in this title, or

"(iv) as a matter of policy the making of a grant or contract involving the use of funds derived from one appropriation dependent upon the receipt of a grant or contract involving the use of funds derived from another appropriation.

"(2)(A) No requirement or condition imposed by a law authorizing appropriations for carrying out any applicable program, or controlling the administration thereof, shall be waived or modified, unless such a waiver or modification is expressly authorized by such law or by a provision of this title or by a law expressly limiting the applicability of this paragraph.

"(B) There shall be no limitation on the use of funds appropriated to carry out any applicable program other than limitations imposed by the law authorizing the appropriation or a law controlling the administration of such program; nor shall any funds appropriated to carry out an applicable program be allotted, apportioned, allocated, or otherwise distributed in any manner or by any method different from that specified in the law authorizing the appropriation.

"(3) No person holding office in the executive branch of the Government shall exercise any authority which would authorize or effect any activity prohibited by paragraph (1) or (2).

"(4) The transfer of any responsibility, authority, power, duty, or obligation subject to this title, from the Commissioner to any other officer in the executive branch of the Government, shall not affect the applicability of this title with respect to any applicable program.".

(b) The heading of such section 421 is amended to read as follows:

"ADMINISTRATION OF EDUCATION PROGRAMS".

(c) The provisions of section 421(c) of the General Education Provisions Act shall be effective upon the date of enactment of this Act. No

provision of any law which is inconsistent with such section 421(c) shall be effective nor shall any such provision control to the extent of such inconsistency, unless such a law is enacted after the date of enactment of this Act.

AMENDMENTS TO THE COOPERATIVE RESEARCH ACT

SEC. 303. (a) Effective July 1, 1972, the Cooperative Research Act is amended—

(1) in section 2 by striking out paragraph (3) of subsection (a) and subsections (b) and (c) and by amending paragraph (1) of subsection (a) to read as follows;

"SEC. 2. (a)(1). In order to assist the Commissioner in carrying out the purpose and duties of the Office of Education, the Commissioner is authorized, during the period beginning July 1, 1972, and ending June 30, 1976, to make grants to, and contracts with, public and private institutions, agencies, and organizations for the dissemination of information, for surveys, for exemplary projects in the field of education, and for the conduct of studies related to the management of the Office of Education, except that no such grant may be made to a private agency, organization, or institution other than a nonprofit one."; and

(2) by striking out section 3 of such Act and inserting in lieu thereof the following;

"SEC. 3. There are authorized to be appropriated for purposes of section 2, $58,000,000 for the fiscal year ending June 30, 1973, $68,000,000 for the fiscal year ending June 30, 1974, and $78,000,000 for the fiscal year ending June 30, 1975.".

(b) Nothing contained in the amendments made by subsection (a) shall be construed to grant the Commissioner of Education any authority which he did not have under the Cooperative Research Act prior to July 1, 1972.

EVALUATION

SEC. 304. Part B of the General Education Provision Act is amended by adding at the end thereof the following new section:

"EVALUATIONS BY THE COMPTROLLER GENERAL

"SEC. 417. (a) The Comptroller General of the United States shall review, audit, and evaluate any Federal education program upon request by a committee of the Congress having jurisdiction of the statute authorizing such program or, to the extent personnel are available, upon request by a member of such committee. Upon such request, he shall (1) conduct studies of statutes and regulations governing such program; (2) review the policies and practices of Federal agencies administering such program; (3) review the evaluation procedures adopted by such agencies carrying out such program; and (4) evaluate particular projects or programs. The Comptroller General shall compile such data as are necessary to carry out the preceding functions and shall report to the Congress at such times as he deems appropriate his findings with respect to such program and his recommendations for such modifications in existing laws, regulations, procedures and practices as will in hi judgment best serve to carry out effectively and without duplication th policies set forth in education legislation relative to such program.

"(b) In carrying out his responsibilities as provided in subsection (a), the Comptroller General shall give particular attention to the practice of

Federal agencies of contracting with private firms, organizations and individuals for the provision of a wide range of studies and services (such as personnel recruitment and training, program evaluation, and program administration) with respect to Federal education programs, and shall report to the heads of the agencies concerned and to the Congress his findings with respect to the necessity for such contracts and their effectiveness in serving the objectives established in education legislation.

"(c) In addition to the sums authorized to be appropriated under section 400(c), there are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.".

TITLE IV—INDIAN EDUCATION

SHORT TITLE

SEC. 401. This title may be cited as the "Indian Education Act."

PART A—REVISION OF IMPACTED AREAS PROGRAM AS IT RELATES TO INDIAN CHILDREN

AMENDMENTS TO PUBLIC LAW 874, EIGHTY-FIRST CONGRESS

SEC. 411. (a) The Act of September 30, 1950 (Public Law 874, Eighty-first Congress), is amended by redesignating title III as title IV, by redesignating sections 301 through 303 and references thereto as sections 401 through 403, respectively, and by adding after title II the following new title:

"TITLE III—FINANCIAL ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES FOR THE EDUCATION OF INDIAN CHILDREN

"SHORT TITLE

"SEC. 301. This title may be cited as the 'Indian Elementary and Secondary School Assistance Act'.

"DECLARATION OF POLICY

"SEC. 302. (a) In recognition of the special educational needs of Indian students in the United States, Congress hereby declares it to be the policy of the United States to provide financial assistance to local educational agencies to develop and carry out elementary and secondary school programs specially designed to meet these special educational needs.

"(b) The Commissioner shall, in order to effectuate the policy set forth in subsection (a), carry out a program of making grants to local educational agencies which are entitled to payments under this title and which have submitted, and had approved, applications therefor, in accordance with the provisions of this title.

"GRANTS TO LOCAL EDUCATIONAL AGENCIES

"SEC. 303. (a)(1) For the purpose of computing the amount to which a local educational agency is entitled under this title for any fiscal year ending prior to July 1, 1975, the Commissioner shall determine the number of Indian children who were enrolled in the schools of a local educational agency, and for whom such agency provided free public education, during such fiscal year.

"(2)(A) The amount of the grant to which a local educational agency is entitled under this title for any fiscal year shall be an amount equal to (i) the average per pupil expenditure for such agency (as determined under subparagraph (C)) multiplied by (ii) the sum of the number of children determined under paragraph (1).

"(B) A local educational agency shall not be entitled to receive a grant under this title for any fiscal year unless the number of children under this subsection, with respect to such agency, is at least ten or constitutes at least 50 per centum of its total enrollment. The requirements of this subparagraph shall not apply to any such agencies serving Indian children in Alaska, California, and Oklahoma or located on, or in proximity to, an Indian reservation.

"(C) For the purposes of this subsection, the average per pupil expenditure for a local educational agency shall be the aggregate current expenditures, during the second fiscal year preceding the fiscal year for which the computation is made, of all of the local educational agencies in the State in which such agency is located, plus any direct current expenditures by such State for the operation of such agencies (without regard to the sources of funds from which either of such expenditures are made), divided by the aggregate number of children who were in average daily enrollment for whom such agencies provided free public education during such preceding fiscal year.

"(b) In addition to the sums appropriated for any fiscal year for grants to local educational agencies under this title, there is hereby authorized to be appropriated for any fiscal year an amount not in excess of 5 per centum of the amount appropriated for payments on the basis of entitlements computed under subsection (a) for that fiscal year, for the purpose of enabling the Commissioner to provide financial assistance to schools on or near reservations which are not local educational agencies or have not been local educational agencies for more than three years, in accordance with the appropriate provisions of this title.

"USES OF FEDERAL FUNDS

"SEC. 304. Grants under this title may be used, in accordance with applications approved under section 305, for—

"(1) planning for and taking other steps leading to the development of programs specifically designed to meet the special educational needs of Indian children, including pilot projects designed to test the effectiveness of plans so developed; and

"(2) the establishment, maintenance, and operation of programs, including, in accordance with special regulations of the Commissioner, minor remodeling of classroom or other space used for such programs and acquisition of necessary equipment, specially designed to meet the special educational needs of Indian children.

"APPLICATIONS FOR GRANTS; CONDITIONS FOR APPROVAL

"SEC. 305. (a) A grant under this title, except as provided in section 303(b), may be made only to a local educational agency or agencies, and only upon application to the Commissioner at such time or times, in such manner, and containing or accompanied by such information as the Commissioner deems necessary. Such application shall—

"(1) provide that the activities and services for which assistance under this title is sought will be administered by or under the supervision of the applicant;

"(2) set forth a program for carrying out the purposes of section 304, and provide for such methods of administration as are necessary for the proper and efficient operation of the program;

"(3) in the case of an application for payments for planning, provide that (A) the planning was or will be directly related to programs or projects to be carried out under this title and has resulted, or is reasonably likely to result, in a program or project which will be carried out under this title, and (B) the planning funds are needed because of the innovative nature of the program or project or because the local educational agency lacks the resources necessary to plan adequately for programs and projects to be carried out under this title;

"(4) provide that effective procedures, including provisions for appropriate objective measurement of educational achievement will be adopted for evaluating at least annually the effectiveness of the programs and projects in meeting the special educational needs of Indian students;

"(5) set forth policies and procedures which assure that Federal funds made available under this title for any fiscal year will be so used as to supplement and, to the extent practical, increase the level of funds that would, in the absence of such Federal funds, be made available by the applicant for the education of Indian children and in no case supplant such funds;

"(6) provide for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid to the applicant under this title; and

"(7) provide for making an annual report and such other reports, in such form and containing such information, as the Commissioner may reasonably require to carry out his functions under this title and to determine the extent to which funds provided under this title have been effective in improving the educational opportunities of Indian students in the area served, and for keeping such record and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

"(b) An application by a local educational agency or agencies for a grant under this title may be approved only if it is consistent with the applicable provisions of this title and—

"(1) meets the requirements set forth in subsection (a);

"(2) provides that the program or project for which application is made—

"(A) will utilize the best available talents and resources (including persons from the Indian community) and will substantially increase the educational opportunities of Indian children in the area to be served by the applicant; and

"(B) has been developed—

"(i) in open consultation with parents of Indian children, teachers, and, where applicable, secondary school students, including public hearings at which such persons have had a full opportunity to understand the program for which assistance is being sought and to offer recommendations thereon, and

"(ii) with the participation and approval of a committee composed of, and selected by, parents of children participating in the program for which assistance is sought, teachers, and, where applicable, secondary school students of which at least half the members shall be such parents;

"(C) sets forth such policies and procedures as will insure that the program for which assistance is sought will be operated

and evaluated in consultation with, and the involvement of, parents of the children and representatives of the area to be served, including the committee established for the purposes of clause (2)(B)(ii).

"(c) Amendments of applications shall, except as the Commissioner may otherwise provide by or pursuant to regulations, be subject to approval in the same manner as original applications.

"PAYMENTS

"SEC. 306. (a) The Commissioner shall, subject to the provisions of section 307, from time to time pay to each local educational agency which has had an application approved under section 305, an amount equal to the amount expended by such agency in carrying out activities under such application.

"(b) (1) No payments shall be made under this title for any fiscal year to any local educational agency in a State which has taken into consideration payments under this title in determining the eligibility of such local educational agency in that State for State aid, or the amount of that aid, with respect to the free public education of children during that year or the preceding fiscal year.

"(2) No payments shall be made under this title to any local educational agency for any fiscal year unless the State educational agency finds that the combined fiscal effort (as determined in accordance with regulations of the Commissioner) of that agency and the State with respect to the provision of free public education by that agency for the preceding fiscal year was not less than such combined fiscal effort for that purpose for the second preceding fiscal year.

"ADJUSTMENTS WHERE NECESSITATED BY APPROPRIATIONS

"SEC. 307. (a) If the sums appropriated for any fiscal year for making payments under this title are not sufficient to pay in full the total amounts which all local educational agencies are eligible to receive under this title for that fiscal year, the maximum amounts which all such agencies are eligible to receive under this title for such fiscal year shall be ratably reduced. In case additional funds become available for making such payments for any fiscal year during which the first sentence of this subsection is applicable, such reduced amounts shall be increased on the same basis as they were reduced.

"(b) In the case of any fiscal year in which the maximum amounts for which local educational agencies are eligible have been reduced under the first sentence of subsection (a), and in which additional funds have not been made available to pay in full the total of such maximum amounts under the second sentence of such subsection, the Commissioner shall fix dates prior to which each local educational agency shall report to him on the amount of funds available to it, under the terms of section 306(a) and subsection (a) of this section, which it estimates, in accordance with regulations of the Commissioner, that it will expend under approved applications. The amounts so available to any local educational agency, or any amount which would be available to any other local education agency if it were to submit an approvable application therefor, which the Commissioner determines will not be used for the period of its availability, shall be available for allocation to those local educational agencies, in the manner provided in the second sentence of subsection (a), which the

Commissioner determines will need additional funds to carry out approved applications, except that no local educational agency shall receive an amount under this sentence which, when added to the amount available to it under subsection (a), exceeds its entitlement under section 303.".

(b)(1) The third sentence of section 103(a)(1)(A) of title I of the Elementary and Secondary Education Act of 1965 is amended to read as follows: "In addition, he shall allot from such amount to the Secretary of the Interior—

"(i) the amount necessary of make payments pursuant to subparagraph (B); and

"(ii) in the case of fiscal years ending prior to July 1, 1973, the amount necessary to make payments pursuant to subparagraph (C).".

(2)(A) Section 103(a)(1) of such title I is amended by adding at the end thereof the following new subparagraph:

"(C) The maximum amount allotted for payments to the Secretary of the Interior under clause (ii) in the third sentence of subparagraph (A) for any fiscal year shall be the amount necessary to meet the special educational needs of educationally deprived Indian children on reservations serviced by elementary and secondary schools operated for Indian children by the Department of the Interior, as determined pursuant to criteria established by the Commissioner. Such payments shall be made pursuant to an agreement between the Commissioner and the Secretary containing such assurances and terms as the Commissioner determines will best achieve the purposes of this part. Such agreement shall contain (1) an assurance that payments made pursuant to this subparagraph will be used solely for programs and projects approved by the Secretary of Interior which meet the applicable requirements of section 141(a) and that the Department of the Interior will comply in all other respects with the requirements of this title, and (2) provision for carrying out the applicable provisions of sections 141(a) and 142(a)(3).".

(B) The fourth sentence of section 103(a)(1)(A) of such title I is amended by striking out "and the terms upon which payment shall be made to the Department of the Interior.".

(3) The amendments made by this subsection shall be effective on and after July 1, 1972.

(c)(1) Subsection (a) of section 5 of Public Law 874, 81st Congress, as amended, is amended by inserting "(1)" after "(a)" and by inserting at the end thereof the following new paragraph (2):

"(2)(A) Applications for payment on the basis of children determined under section 3(a) or 3(b) who reside, or reside with a parent employed, on Indian lands shall set forth adequate assurance that Indian children will participate on an equitable basis in the school program of the local educational agency.

"(B) For the purposes of this paragraph, Indian lands means that property included within the definition of Federal property under clause (A) of section 403(1).".

(2)(A) The Commissioner shall exercise his authority under section 425 of the General Education Provisions Act, to encourage local parental participation with respect to financial assistance under title I of Public Law 874, 81st Congress, based upon children who reside on, or reside with a parent employed on, Indian lands.

(B) For the purposes of this paragraph, the term "Indian lands" means that property included within the definition of Federal property under clause (A) of section 403(1) of Public Law 874, 81st Congress.

PART B—SPECIAL PROGRAMS AND PROJECTS TO IMPROVE EDUCATIONAL OPPORTUNITIES FOR INDIAN CHILDREN

AMENDMENT TO TITLE VIII OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

SEC. 421. (a) Title VIII of the Elementary and Secondary Education Act of 1965 is amended by adding to the end thereof the following new section:

"IMPROVEMENT OF EDUCATIONAL OPPORTUNITIES FOR INDIAN CHILDREN

"SEC. 810. (a) The Commissioner shall carry out a program of making grants for the improvement of educational opportunities for Indian children—

"(1) to support planning, pilot, and demonstration projects, in accordance with subsection (b), which are designed to test and demonstrate the effectiveness of programs for improving educational opportunities for Indian children;

"(2) to assist in the establishment and operation of programs, in accordance with subsection (c), which are designed to stimulate (A) the provision of educational services not available to Indian children in sufficient quantity or quality, and (B) the development and establishment of exemplary educational programs to serve as models for regular school programs in which Indian children are educated;

"(3) to assist in the establishment and operation of preservice and inservice training programs, in accordance with subsection (d), for persons serving Indian children as educational personnel; and

"(4) to encourage the dissemination of information and materials relating to, and the evaluation of the effectiveness of, education programs which may offer educational opportunities to Indian children.

In the case of activities of the type described in clause (3) preference shall be given to the training of Indians.

"(b) The Commissioner is authorized to make grants to State and local educational agencies, federally supported elementary and secondary schools for Indian children and to Indian tribes, organizations, and institutions to support planning, pilot, and demonstration projects which are designed to plan for, and test and demonstrate the effectiveness of, programs for improving educational opportunities for Indian children, including—

"(1) innovative programs related to the educational needs of educationally deprived children;

"(2) bilingual and bicultural education programs and projects;

"(3) special health and nutrition services, and other related activities, which meet the special health, social, and psychological problems of Indian children; and

"(4) coordinating the operation of other federally assisted programs which may be used to assist in meeting the needs of such children.

"(c) The Commissioner is also authorized to make grants to State and local educational agencies and to tribal and other Indian community organizations to assist and stimulate them in developing and establishing educational services and programs specifically designed to improve educational opportunities for Indian children. Grants may be used—

"(1) to provide educational services not available to such children in sufficient quantity or quality, including—

"(A) remedial and compensatory instruction, school health, physical education, psychological, and other services designed to assist and encourage Indian children to enter, remain in, or reenter elementary or secondary school;

"(B) comprehensive academic and vocational instruction;

"(C) instructional materials (such as library books, textbooks, and other printed or published or audiovisual materials) and equipment;

"(D) comprehensive guidance, counseling, and testing services;

"(E) special education programs for handicapped;

"(F) preschool programs;

"(G) bilingual and bicultural education programs; and

"(H) other services which meet the purposes of this subsection; and

"(2) for the establishment and operation of exemplary and innovative educational programs and centers, involving new educational approaches, methods, and techniques designed to enrich programs of elementary and secondary education for Indian children.

"(d) The Commissioner is also authorized to make grants to institutions of higher education and to State and local educational agencies, in combination with institutions of higher education, for carrying out programs and projects—

"(1) to prepare persons to serve Indian children as teachers, teacher aides, social workers, and ancillary educational personnel; and

"(2) to improve the qualifications of such persons who are serving Indian children in such capacities.

Grants for the purposes of this subsection may be used for the establishment of fellowship programs leading to an advanced degree, for institutes and, as part of a continuing program, for seminars, symposia, workshops, and conferences. In carrying out the programs authorized by this subsection, preference shall be given to the training of Indians.

"(e) The Commissioner is also authorized to make grants to and contracts with, public agencies, and institutions and Indian tribes, institutions, and organizations for—

"(1) the dissemination of information concerning education programs, services, and resources available to Indian children, including evaluations thereof; and

"(2) the evaluation of the effectiveness of federally assisted programs in which Indian children may participate in achieving the purposes of such programs with respect to such children.

"(f) Applications for a grant under this section shall be submitted at such time, in such manner, and shall contain such information, and shall be consistent with such criteria, as may be established as requirements in regulations promulgated by the Commissioner. Such applications shall—

"(1) set forth a statement describing the activities for which assistance is sought;

"(2) in the case of a application for the purposes of subsection (c), subject to such criteria as the Commissioner shall prescribe, provide for the use of funds available under this section, and for the coordination of other resources available to the applicant, in order to

insure that, within the scope of the purpose of the project, there will be a comprehensive program to achieve the purposes of this section;

"(3) in the case of an application for the purposes of subsection (c), make adequate provision for the training of the personnel participating in the project; and

"(4) provide for an evaluation of the effectiveness of the project in achieving its purposes and those of this section.

The Commissioner shall not approve an application for a grant under subsection (b) or (c) unless he is satisfied that such application, and any documents submitted with respect thereto, show that there has been adequate participation by the parents of the children to be served and tribal communities in the planning and development of the project, and that there will be such a participation in the operation and evaluation of the project. In approving applications under this section, the Commissioner shall give priority to applications from Indian educational agencies, organizations, and institutions.

"(g) For the purpose of making grants under this section there are hereby authorized to be appropriated $25,000,000 for the fiscal year ending June 30, 1973, and $35,000,000 for each of the two succeeding fiscal years.".

(b)(1)(A) The third sentence of section 202(a)(1) of the Elementary and Secondary Education Act of 1965 is amended by striking out "July 1, 1972," and inserting in lieu thereof "July 1, 1973,".

(B) The third sentence of section 302(a)(1) of the Elementary and Secondary Education Act of 1965 is amended by striking out "July 1, 1972," and inserting in lieu thereof "July 1, 1973,".

(C) Clause (B) of section 612(a)(1) of Public Law 91-230 is amended by striking out "July 1, 1972," and inserting in lieu thereof "July 1, 1973,".

(2) For the purposes of titles II and III of the Elementary and Secondary Education Act of 1965 and part B of title VI of Public Law 91-230, the Secretary of the Interior shall have the same duties and responsibilities with respect to funds paid to him under such titles, as he would have if the Department of the Interior were a State educational agency having responsibility for the administration of a State plan under such titles.

PART C—SPECIAL PROGRAMS RELATING TO ADULT EDUCATION FOR INDIANS

AMENDMENT TO THE ADULT EDUCATION ACT

SEC. 431. Title III of the Elementary and Secondary Education Amendments of 1966 (the Adult Education Act) is amended by redesignating sections 314 and 315, and all references thereto, as sections 315 and 316, respectively, and by adding after section 313 the following new section:

"IMPROVEMENT OF EDUCATIONAL OPPORTUNITIES FOR ADULT INDIANS

"SEC. 314. (a) The Commissioner shall carry out a program of making grants to State and local educational agencies, and to Indian tribes, institutions, and organizations, to support planning, pilot, and demonstration projects which are designed to plan for, and test and demonstrate the effectiveness of, programs for providing adult education for Indians—

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"(1) to support planning, pilot, and demonstration projects which are designed to test and demonstrate the effectiveness of programs for improving employment and educational opportunities for adult Indians;

"(2) to assist in the establishment and operation of programs which are designed to stimulate (A) the provision of basic literacy opportunities to all nonliterate Indian adults, and (B) the provision of opportunities to all Indian adults to qualify for a high school equivalency certificate in the shortest period of time feasible;

"(3) to support a major research and development program to develop more innovative and effective techniques for achieving the literacy and high school equivalency goals;

"(4) to provide for basic surveys and evaluations thereof to define accurately the extent of the problems of illiteracy and lack of high school completion on Indian reservations;

"(5) to encourage the dissemination of information and materials relating to, and the evaluation of the effectiveness of, education programs which may offer educational opportunities to Indian adults.

"(b) The Commissioner is also authorized to make grants to, and contracts with, public agencies, and institutions, and Indian tribes, institutions, and organizations for—

"(1) the dissemination of information concerning educational programs, services, and resources available to Indian adults, including evaluations thereof; and

"(2) the evaluation of the effectiveness of federally assisted programs in which Indian adults may participate in achieving the purposes of such programs with respect to such adults.

"(c) Applications for a grant under this section shall be submitted at such time, in such manner, and contain such information, and shall be consistent with such criteria, as may be established as requirements in regulations promulgated by the Commissioner. Such applications shall—

"(1) set forth a statement describing the activities for which assistance is sought;

"(2) provide for an evaluation of the effectiveness of the project in achieving its purposes and those of this section.

The Commissioner shall not approve an application for a grant under subsection (a) unless he is satisfied that such application, and any documents submitted with respect thereto, indicate that there has been adequate participation by the individuals to be served and tribal communities in the planning and development of the project, and that there will be such a participation in the operation and evaluation of the project. In approving applications under subsection (a), the Commissioner shall give priority to applications from Indian educational agencies, organizations, and institutions.

"(d) For the purpose of making grants under this section there are hereby authorized to be appropriated $5,000,000 for the fiscal year ending June 30, 1973, and $8,000,000 for each of the two succeeding fiscal years.".

PART D—OFFICE OF INDIAN EDUCATION

OFFICE OF INDIAN EDUCATION

SEC. 441. (a) There is hereby established, in the Office of Education, a bureau to be known as the "Office of Indian Education" which, under the direction of the Commissioner, shall have the responsibility for

administering the provisions of title III of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), as added by this Act, section 810 of title VIII of the Elementary and Secondary Education Act of 1965, as added by this Act, and section 314 of title III of the Elementary and Secondary Education Amendments of 1966, as added by this Act. The Office shall be headed by a Deputy Commissioner of Indian Education, who shall be appointed by the Commissioner of Education from a list of nominees submitted to him by the National Advisory Council on Indian Education.

(b) The Deputy Commissioner of Indian Education shall be compensated at the rate prescribed for, and shall be placed in, grade 18 of the General Schedule set forth in section 5332 of title 5, United States Code, and shall perform such duties as are delegated or assigned to him by the Commissioner. The position created by this subsection shall be in addition to the number of positions placed in grade 18 of such General Schedule under section 5108 of title 5, United States Code.

NATIONAL ADVISORY COUNCIL ON INDIAN EDUCATION

SEC. 442. (a) There is hereby established the National Advisory Council on Indian Education (referred to in this title as the "National Council"), which shall consist of fifteen members who are Indians and Alaska Natives appointed by the President of the United States. Such appointments shall be made by the President from lists of nominees furnished, from time to time, by Indian tribes and organizations, and shall represent diverse geographic areas of the country.

(b) The National Council shall—

(1) advise the Commissioner of Education with respect to the administration (including the development of regulations and of administrative practices and policies) of any program in which Indian children or adults participate from which they can benefit, including title III of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), as added by this Act, and section 810, title VIII of the Elementary and Secondary Education Act of 1965, as added by this Act and with respect to adequate funding thereof;

(2) review applications for assistance under title III of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), as added by this Act, section 810 of title VIII of the Elementary and Secondary Education Act of 1965, as added by this Act, and section 314 of the Adult Education Act, as added by this Act, and make recommendations to the Commissioner with respect to their approval;

(3) evaluate program and projects carried out under any program of the Department of Health, Education, and Welfare in which Indian children or adults can participate or from which they can benefit, and disseminate the results of such evaluations;

(4) provide technical assistance to local educational agencies and to Indian educational agencies, institutions, and organizations to assist them in improving the education of Indian children;

(5) assist the Commissioner in developing criteria and regulations for the administration and evaluation of grants made under section 303(b) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress); and

(6) to submit to the Congress not later than March 31 of each year a report on its activities, which shall include any recommendations

it may deem necessary for the improvement of Federal education programs in which Indian children and adults participate, or from which they can benefit, which report shall include statement of the National Council's recommendations to the Commissioner with respect to the funding of any such programs.

(c) With respect to functions of the National Council stated in clauses (2), (3), and (4) of subsection (b), the National Council is authorized to contract with any public or private nonprofit agency, institution, or organization for assistance in carrying out such functions.

(d) From the sums appropriated pursuant to section 400(c) of the General Education Provisions Act which are available for the purposes of section 411 of such Act and for part D of such Act, the Commissioner shall make available such sums as may be necessary to enable the National Council to carry out its functions under this section.

PART E—MISCELLANEOUS PROVISIONS

AMENDMENT TO TITLE V OF HIGHER EDUCATION ACT OF 1965

SEC. 451. (a) Section 503(a) of the Higher Education Act of 1965 is amended by inserting after "and higher education," the following: "including the need to provide such programs and education to Indians,".

(b) Part D of title V of the Higher Education Act of 1965 is amended by adding after section 531 the following new section:

"TEACHERS FOR INDIAN CHILDREN

"SEC. 532. Of the sums made available for the purposes of this part, not less than 5 per centum shall be used for grants to, and contracts with, institutions of higher education and other public and private nonprofit agencies and organizations for the purpose of preparing persons to serve as teachers of children living on reservations serviced by elementary and secondary schools for Indian children operated or supported by the Department of the Interior, including public and private schools operated by Indian tribes and by nonprofit institutions and organizations of Indian tribes. In carrying out the provisions of this section preference shall be given to the training of Indians.".

AMENDMENT TO THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

SEC. 452. Section 706(a) of the Elementary and Secondary Education Act of 1965 is amended to read as follows:

"SEC. 706. (a) For the purpose of carrying out programs pursuant to this title for individuals on or from reservations serviced by elementary and secondary schools operated on or near such reservations for Indian children, a nonprofit institution or organization of the Indian tribe concerned which operates any such school and which is approved by the Commissioner for the purpose of this section, may be considered to be a local educational agency, as such term is used in this title.".

DEFINITION

SEC. 453. For the purposes of this title, the term "Indian" means any individual who (1) is a member of a tribe, band, or other organized group of Indians, including those tribes, bands, or groups terminated since 1940 and those recognized now or in the future by the State in which

they reside, or who is a descendant, in the first or second degree, of any such member, or (2) is considered by the Secretary of the Interior to be an Indian for any purpose, or (3) is an Eskimo or Aleut or other Alaska Native, or (4) is determined to be an Indian under regulations promulgated by the Commissioner, after consultation with the National Advisory Council on Indian Education, which regulations shall further define the term "Indian".

TITLE V—MISCELLANEOUS

ADMINISTRATION OF PROGRAMS AND PROJECTS

SEC. 501. Section 434 of the General Education Provisions Act is amended by—

(1) amending the caption head thereof to read "ADMINISTRATION OF EDUCATION PROGRAMS AND PROJECTS";

(2) striking out "(a)" after "SEC. 434." and inserting in lieu thereof "(a)(1)" and striking out "(b)" and inserting in lieu thereof "(2)";

(3) adding at the end thereof the following new subsection:

"(b) Each application for assistance under any applicable program, with respect to which the Commissioner determines that this subsection should apply, whether such application is approved by the Commissioner or by an agency administering a State plan approved by him and each State plan submitted to the Commissioner under any applicable program shall, as a precondition for approval—

"(1) provide for such methods of administration as are necessary for the proper and efficient administration of the program or project for which application is made;

"(2) make provision for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid to the applicant under the application; and

"(3) provide for making such reports as the Commissioner may require to carry out his functions.".

EXTENSION OF AUTHORIZATION OF APPROPRIATIONS OF TITLE III OF THE NATIONAL DEFENSE EDUCATION ACT OF 1958

SEC. 502. (a) The first sentence of section 301 of the National Defense Education Act of 1958 is amended by striking out "for the fiscal year ending June 30, 1971" and inserting in lieu thereof "for each of the succeeding fiscal years ending prior to July 1, 1975".

(b) The second sentence of such section 301 is amended by striking out "July 1, 1971" and inserting in lieu thereof "July 1, 1975".

STUDY AND REPORT ON RULES AND REGULATIONS

SEC. 503. (a) The Commissioner shall conduct a study of all rules, regulations, guidelines, or other published interpretations or orders issued by him or by the Secretary of Health, Education, and Welfare (or any of their delegates) in connection with, or affecting, the administration of any program to which the General Education Provisions Act applies, which have been issued after June 30, 1965. Such study shall include a review of each such rule, regulation, guideline, interpretation, or order as it relates to the statutory or other legal authority upon which it is based, and to committee reports relating to such statutory authority.

(b) No later than one year after the enactment of this Act, the Commissioner shall submit a report on the study conducted pursuant to subsection (a) to the Committee on Labor and Public Welfare of the Senate and the Committee on Education and Labor of the House of Representatives which report shall include the specific legal authority of each section, or other division, of each rule, regulation, guideline, interpretation, or other order to which this section applies.

(c) Not later than sixty days after the date of submission of the report required by subsection (b) of this section, all rules, regulations, guidelines, interpretations, or other orders to which this section applies shall be published in the Federal Register. During the sixty-day period following such publication, the Commissioner shall provide interested parties an opportunity for a public hearing on the matters so published.

(d) After a study of comments and recommendations offered to the Commissioner during the sixty-day period specified in subsection (c), he shall submit a report to the Committee on Labor and Public Welfare of the Senate and the Committee on Education and Labor of the House of Representatives on such comments and recommendations, and any action he has taken as a result thereof, and he shall, not later than sixty days after the period specified in subsection (c), republish all rules, regulations, guidelines, interpretations and orders in the Federal Register, which shall supersede all preceding rules, regulations, guidelines, interpretations and orders issued in connection with, or affecting, any program to which the General Education Provisions Act applies, and become effective thirty days after such republication.

ETHNIC HERITAGE STUDIES PROGRAM

SEC. 504. (a) The Elementary and Secondary Education Act of 1965 is amended by adding at the end thereof the following new title:

"TITLE IX—ETHNIC HERITAGE PROGRAM

"STATEMENT OF POLICY

"SEC. 901. In recognition of the heterogeneous composition of the nation and of the fact that in a multiethnic society a greater understanding of the contributions of one's own heritage and those of one's fellow citizens can contribute to a more harmonious, patriotic, and committed populace, and in recognition of the principle that all persons in the educational institutions of the Nation should have an opportunity to learn about the differing and unique contributions to the national heritage made by each ethnic group, it is the purpose of this title to provide assistance designed to afford to students opportunities to learn about the nature of their own cultural heritage, and to study the contributions of the cultural heritages of the other ethnic groups of the Nation.

"ETHNIC HERITAGE STUDIES PROGRAMS

"SEC. 902. The Commissioner is authorized to make grants to, and contracts with, public and private nonprofit educational agencies, institutions, and organizations to assist them in planning, developing, establishing, and operating ethnic heritage studies programs, as provided in this title.

"AUTHORIZED ACTIVITIES

"SEC. 903. Each program assisted under this title shall—

"(1) develop curriculum materials for use in elementary and secondary schools and institutions of higher education relating to the history, geography, society, economy, literature, art, music, drama, language, and general culture of the group or groups with which the program is concerned, and the contributions of that ethnic group or groups to the American heritage;

"(2) disseminate curriculum materials to permit their use in elementary and secondary schools and institutions of higher education throughout the Nation;

"(3) provide training for persons using, or preparing to use, curriculum materials developed under this title; and

"(4) cooperate with persons and organizations with a special interest in the ethnic group or groups with which the program is concerned to assist them in promoting, encouraging, developing, or producing programs or other activities which relate to the history, culture, or traditions of that ethnic group or groups.

"APPLICATIONS

"SEC. 904. (a) Any public or private nonprofit agency, institution, or organization desiring assistance under this title shall make application therefor in accordance with the provisions of this title and other applicable law and with regulations of the Commissioner promulgated for the purposes of this title. The Commissioner shall approve an application under this title only if he determines that—

"(1) the program for which the application seeks assistance will be operated by the applicant and that the applicant will carry out such program in accordance with this title;

"(2) such program will involve the activities described in section 903; and

"(3) such program has been planned, and will be carried out, in consultation with an advisory council which is representative of the ethnic group or groups with which the program is concerned and which is appointed in a manner prescribed by regulation.

"(b) In approving applications under this title, the Commissioner shall insure that there is cooperation and coordination of efforts among the programs assisted under this title, including the exchange of materials and information and joint programs where appropriate.

"ADMINISTRATIVE PROVISIONS

"SEC. 905. (a) In carrying out this title, the Commissioner shall make arrangements which will utilize (1) the research facilities and personnel of institutions of higher education, (2) the special knowledge of ethnic groups in local communities and of foreign students pursuing their education in this country, (3) the expertise of teachers in elementary and secondary schools and institutions of higher education, and (4) the talents and experience of any other groups such as foundations, civic groups, and fraternal organizations which would further the goals of the programs.

"(b) Funds appropriated to carry out this title may be used to cover all or part of the cost of establishing and carrying out the programs, including

the cost of research materials and resources, academic consultants, and the cost of training of staff for the purpose of carrying out the purposes of this title. Such funds may also be used to provide stipends (in such amounts as may be determined in accordance with regulations of the Commissioner) to individuals receiving training as part of such programs, including allowances for dependents.

"NATIONAL ADVISORY COUNCIL

"SEC. 906. (a) There is hereby established a National Advisory Council on Ethnic Heritage Studies consisting of fifteen members appointed by the Secretary who shall be appointed, serve, and be compensated as provided in part D of the General Education Provisions Act.

"(b) Such Council shall, with respect to the program authorized by this title, carry out the duties and functions specified in part D of the General Education Provisions Act.

"APPROPRIATIONS AUTHORIZED

"SEC. 907. For the purpose of carrying out this title, there are authorized to be appropriated $15,000,000 for the fiscal year ending June 30, 1973. Sums appropriated pursuant to this section shall, notwithstanding any other provision of law unless enacted in express limitation of this sentence, remain available for expenditure and obligation until the end of the fiscal year succeeding the fiscal year for which they were appropriated."

(b) The amendment made by subsection (a) shall be effective after June 30, 1972.

CONSUMERS' EDUCATION

SEC. 505. (a)(1) The Congress of the United States finds that there do not exist adequate resources for educating and informing consumers about their role as participants in the marketplace.

(2) It is the purpose of the amendment made by this section to encourage and support the development of new improved curricula to prepare consumers for participation in the marketplace to demonstrate the use of such curriculums in model educational programs and to evaluate the effectiveness thereof; to provide support for the initiation and maintenance of programs in consumer education at the elementary and secondary and higher education levels; to disseminate curricular materials and other information for use in educational programs throughout the Nation; to provide training programs for teachers, other educational personnel, public service personnel, and community and labor leaders and employees, and government employees at State, Federal, and local levels; to provide for Community Consumer education programs; and to provide for the preparation and distribution of materials by mass media in dealing with consumer education.

(3) Title VIII of the Elementary and Secondary Education Act of 1965 is amended by adding at the end thereof the following new section:

"CONSUMERS' EDUCATION PROGRAMS

"SEC. 811. (a) There shall be within the Office of Education, a Director of Consumers' Education (hereafter in this section referred to as the 'Director') who, subject to the management of the Commissioner, shall have primary responsibility for carrying out the provisions of this section.

"(b)(1)(A) The Director shall carry out a program of making grants to, and contracts with, institutions of higher education, State and local educational agencies, and other public and private agencies, organizations, and institutions (including libraries) to support research, demonstration, and pilot projects designed to provide consumer education to the public except that no grant may be made other than to a nonprofit agency, organization, or institution.

"(B) Funds appropriated for grants and contracts under this section shall be available for such activities as—

"(i) the development of curricula (including interdisciplinary curricula) in consumer education;

"(ii) dissemination of information relating to such curricula;

"(iii) in the case of grants to State and local educational agencies and institutions of higher education, for the support of education programs at the elementary and secondary and higher education levels; and

"(iv) preservice and inservice training programs and projects (including fellowship programs, institutes, workshops, symposiums, and seminars) for educational personnel to prepare them to teach in subject matter areas associated with consumer education.

In addition to the activities specified in the first sentence of this paragraph, such funds may be used for projects designed to demonstrate, test, and evaluate the effectiveness of any such activities, whether or not assisted under this section. Activities pursuant to this section shall provide bilingual assistance when appropriate.

"(C) Financial assistance under this subsection may be made available only upon application to the Director. Applications under this subsection shall be submitted at such time, in such form, and containing such information as the Director shall prescribe by regulation and shall be approved only if it—

"(i) provides that the activities and service for which assistance is sought will be administered by, or under the supervision of, the applicant;

"(ii) describes a program for carrying out one or more of the purposes set forth in the first sentence of paragraph (2) which holds promise of making a substantial contribution toward attaining the purposes of this section;

"(iii) sets forth such policies and procedures as will insure adequate evaluation of the activities intended to be carried out under the application;

"(iv) sets forth policies and procedures which assure that Federal funds made available under this section for any fiscal year will be so used as to supplement and, to the extent practical, increase the level of funds that would, in the absence of such Federal funds, be made available by the applicant for the purposes described in this section, and in no case supplant such funds;

"(v) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of an accounting for Federal funds paid to the applicant under this section; and

"(vi) provides for making an annual report and such other reports, in such form and containing such information, as the Commissioner may reasonably require and for keeping such records, and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

Applications from local educational agencies for financial assistance under this section may be approved by the Director only if the State educational agency has been notified of the application and been given the opportunity to offer recommendations.

"(2) Federal assistance to any program or project under this subsection, other than those involving curriculum development, dissemination of curricular materials, and evaluation, shall support up to 100 per centum of the cost of such program including costs of administration; contributions in kind are acceptable as local contributions to program costs.

"(c) Each recipient of Federal funds under this section shall make such reports and evaluations as the Commissioner shall prescribe by regulation.

"(d) There is authorized to be appropriated $20,000,000 for the fiscal year ending June 30, 1973; $25,000,000 for the fiscal year ending June 30, 1974; and $35,000,000 for the year ending June 30, 1975, for carrying out the purposes of this section.".

(b) The amendment made by this section shall be effective after June 30, 1972.

LAND-GRANT STATUS FOR THE COLLEGE OF THE VIRGIN ISLANDS AND THE UNIVERSITY OF GUAM

SEC. 506. (a) The College of the Virgin Islands and the University of Guam shall be considered land-grant colleges established for the benefit of agriculture and mechanic arts in accordance with the provisions of the Act of July 2, 1862, as amended (12 Stat. 503; 7 U.S.C. 301–305, 307, 308).

(b) In lieu of extending to the Virgin Islands and Guam those provisions of the Act of July 2, 1862, as amended, relating to donations of public land or land script for the endowment and maintenance of colleges for the benefit of agriculture and the mechanic arts, there is authorized to be appropriated $3,000,000 to the Virgin Islands and $3,000,000 to Guam. Amounts appropriated pursuant to this section shall be held and considered to have been granted to the Virgin Islands and Guam subject to the provisions of that Act applicable to the proceeds from the sale of land or land scrip.

(c) The Act of August 30, 1890 (26 Stat. 417; 7 U.S.C. 3–22–326) is amended by adding at the end thereof the following new section:

"SEC. 5. There is authorized to be appropriated annually for payment to the Virgin Islands and Guam the amount they would receive under this Act if they were States. Sums appropriated under this section shall be treated in the same manner and be subject to the same provisions of law, as would be the case if they had been appropriated by the first sentence of this Act.".

(d) Section 22 of the Act of June 29, 1935, as amended (49 Stat. 439; 7 U.S.C. 329), is further amended—

(1) by striking out "and Puerto Rico" wherever it appears and inserting in lieu thereof the following: ", Puerto Rico, the Virgin Islands, and Guam";

(2) by striking out "$7,800,000" and inserting in lieu thereof the figure "$8,100,000"; and

(3) by striking out "$4,320,000". and inserting in lieu thereof the figure "$4,360,000".

(e) The Act of March 4, 1940 (54 Stat. 39; 7 U.S.C. 331) is amended—

(1) by striking out "and Territories" wherever it appears and inserting in lieu thereof the following: ", Puerto Rico, the Virgin Islands, and Guam";

(2) by striking out "or Territories" wherever it appears and inserting in lieu thereof the following: ", Puerto Rico, the Virgin Islands, or Guam"; and

(3) by striking out "State" wherever it appears in the third proviso of that Act and inserting in lieu thereof the following: "State, Puerto Rico, the Virgin Islands, or Guam".

(f) Section 207 of the Agricultural Marketing Act of 1946 (60 Stat. 1091; 7 U.S.C. 1626), is amended by striking out the period at the end of the section and inserting in lieu thereof the following: ", and the term 'State' when used in this chapter shall include the Virgin Islands and Guam.".

(g) Section 3 of the Act of May 8, 1914, as amended (38 Stat. 373; 7 U.S.C. 343), is further amended by inserting "(1)" immediately after the designation of subsection (b) thereof and by adding at the end of subsection (b) thereof a new paragraph (2) as follows;

"(2) There is authorized to be appropriated for the fiscal year ending June 30, 1971, and for each fiscal year thereafter, for payment to the Virgin Islands and Guam, $100,000 each, which sums shall be in addition to the sums appropriated for the several States of the United States and Puerto Rico under the provisions of this section. The amount paid by the Federal Government to the Virgin Islands and Guam pursuant to this paragraph shall not exceed during any fiscal year, except the fiscal years ending June 30, 1971, and June 30, 1972, when such amount may be used to pay the total cost of providing services pursuant to this Act, the amount available and budgeted for expenditure by the Virgin Islands and Guam for the purposes of this Act.".

(h) Section 10 of the Act of May 8, 1914, is amended by striking out "and Puerto Rico" and inserting in lieu thereof the following: ", Puerto Rico, the Virgin Islands, and Guam".

(i) Section 4 of the Act of October 10, 1962 (76 Stat. 806; 16 U.S.C. 582a–3), is amended by striking out the period at the end of the first sentence thereof and inserting in lieu thereof the following: ", except that for the fiscal years ending June 30, 1971, and June 30, 1972, the matching funds requirement hereof shall not be applicable to the Virgin Islands and Guam, and sums authorized for such years for the Virgin Islands and Guam may be used to pay the total cost of programs for forestry research.".

(j) Section 8 of the Act of October 10, 1962 (76 Stat. 807; 16 U.S.C. 582a–7), is amended by striking out the period at the end thereof and inserting in lieu thereof the following: ", the Virgin Islands, and Guam.".

(k) Section 1 of the Act of August 11, 1955 (7 U.S.C. 361a–361i), is amended by striking out the period at the end of the second sentence and inserting in lieu thereof the following: "Guam and the Virgin Islands," and striking out "and" between the words "Hawaii and Puerto Rico.".

(l) Section 3 of the Act of August 11, 1955 (7 U.S.C. 361a–361i) is amended by redesignating subsection (b) as paragraph (1) of subsection (b), and adding a new paragraph (2) to subsection (b) to read as follows:

"(2) There is authorized to be appropriated for the fiscal year ending June 30, 1973, and for each fiscal year thereafter, for payment to the Virgin Islands and Guam, $100,000 each, which sums shall be in addition to the sums appropriated for the several States of the United States and

Puerto Rico under the provisions of this section. The amount paid by the Federal Government to the Virgin Islands and Guam pursuant to this paragraph shall not exceed during any fiscal year, except the fiscal years ending June 30, 1971, and June 30, 1972, when such amount may be used to pay the total cost of providing services pursuant to this Act, the amount available and budgeted for expenditure by the Virgin Islands and Guam for the purposes of this Act.".

(m) With respect to the Virgin Islands and Guam, the enactment of this section shall be deemed to satisfy any requirement of State consent contained in laws or provisions of law referred to in this section.

(n) The amendments made by this section shall be effective after June 30, 1970.

AMENDMENTS TO THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965 WITH RESPECT TO MIGRATORY CHILDREN OF MIGRATORY AGRICULTURAL WORKERS

SEC. 507. (a) Section 141(c)(1) of title I of the Elementary and Secondary Education Act of 1965 is amended by striking out the word "and" at the end of clause (B) of such section, by redesignating clause (C) of such section as clause (D), and by inserting immediately after clause (B) the following new clause (C):

> *"(C) that, effective after June 30, 1972, in planning and carrying out programs and projects, there has been adequate assurance that provision will be made for the preschool educational needs of migratory children of migratory agricultural workers, whenever such agency determines that compliance with this clause will not detract from the operation of programs and projects described in clause (A) of this paragraph after considering the funds available for this purpose; and".*

(b) Section 141(c)(3) of such title I is amended by adding at the end thereof the following new sentence: "Such children who are presently migrant, as determined pursuant to regulations of the Commissioner, shall be given priority in the consideration of programs and activities contained in applications submitted under this subsection.".

(c)(1) The Commissioner shall conduct a study of the operation of title I of the Elementary and Secondary Education Act of 1965 as such title affects the education of migratory children of migratory agricultural workers. Such study shall include an evaluation of the specific programs and projects assisted under such title I for such children, with a view toward the assessment of their effectiveness, and shall include a review of the administration of such programs and projects by the States.

(2) Not later than December 31, 1973, the Commissioner shall submit a report on the study required by paragraph (1), which report shall contain a statement with respect to the effectiveness of individual programs and projects assisted under such title I with respect to migrant children, an evaluation of State administration of such programs and projects, and make recommendations for the improvement of such programs and projects.

TECHNICAL AMENDMENT WITH RESPECT TO NEGLECTED OR DELINQUENT CHILDREN

SEC. 508. Section 103(a)(7) of title I of the Elementary and Secondary Education Act of 1965, is amended by striking out "for children in institutions for neglected or delinquent children" and inserting in lieu thereof the following: "for children in institutions for neglected or delinquent

children or in adult correctional institutions, if such funds are used solely for children".

CONFORMING AMENDMENTS WITH RESPECT TO OCCUPATIONAL EDUCATION

SEC. 509. (a)(1) Section 203(a)(3) of the Elementary and Secondary Education Act of 1965 is amended by striking out "and" at the end of clause (B), striking out the semicolon at the end of clause (C) and inserting in lieu thereof ", and", and by inserting a new clause as follows:

"(D) provide assurance that equal consideration shall be given to the needs of elementary and secondary schools for library resources, textbooks, and other printed and published materials utilized for instruction, orientation, or guidance and counseling in occupational education.".

(2) Section 303(b)(3) of such Act is amended by redesignating clauses (C), (D), (E), (F), (G), (H), (I), and (J), respectively, as clauses (D), (E), (F), (G), (H), (I), (J), and (K), and by inserting a new clause as follows:

"(C) programs designed to encourage the development in elementary and secondary schools of occupational information and counseling and guidance, and instruction in occupational education on an equal footing with traditional academic education;".

(3) Section 503(4) of such Act is amended by redesignating clauses (A), (B), and (C), respectively, as clauses (B), (C), and (D), and by inserting a new clause as follows:

"(A) the development in elementary and secondary schools of programs of occupational information, counseling and guidance, and instruction in occupational education on an equal footing with traditional academic education,".

(b)(1) Section 104(a)(2) of the Vocational Education Act of 1963 (relating to the duties of the National Advisory Council on Vocational Education) is amended by inserting after "under this title" each time it appears ", and under part B of title X of the Higher Education Act of 1965,".

(2) Section 104 of such Act is further amended by redesignating subsection (c) as subsection (d) and by inserting a new subsection as follows:

"(c) State advisory councils also shall perform with respect to the programs carried out under part B of title X of the Higher Education Act of 1965 functions identical with or analogous to those assigned under this title, and the Commissioner shall assure that adequate funds are made available to such Councils from funds appropriated to carry out part B of that title (without regard to whether such funds have been allotted to States) to enable them to perform such functions.".

POLICY STATEMENT CONCERNING STUDENTS ON BOARDS OF TRUSTEES

SEC. 510. It is the sense of the Congress that the governing boards of institutions of higher education should give consideration to student participation on such boards.

TITLE VI—INVESTIGATION OF YOUTH CAMP SAFETY

SEC. 601. The Secretary of Health, Education, and Welfare shall make a full and complete investigation and study to determine (1) the extent of preventable accidents and illnesses currently occurring in youth camps throughout the Nation, (2) the contribution to youth camp safety now being made by State and local public agencies and private groups, (3) whether existing State and local laws adequately deal with the safety of campers in youth camps, (4) whether existing State and local laws relating to youth camp safety are being effectively enforced, and (5) the need for Federal laws in this field.

REPORT

SEC. 602. The Secretary of Health, Education, and Welfare shall make a report to the Congress before March 1, 1973, on the results of his investigation and study under this title. Such report shall include his recommendations for such legislation as may be necessary or desirable.

AUTHORIZATION OF FUNDS

SEC. 603. There is authorized to be appropriated $300,000 for carrying out the purposes of this title.

(127)

TITLE VII—EMERGENCY SCHOOL AID

SHORT TITLE

SEC. 701. This title may be cited as the "Emergency School Aid Act".

FINDINGS AND PURPOSE

SEC. 702. (a) The Congress finds that the process of eliminating or preventing minority group isolation and improving the quality of education for all children often involves the expenditure of additional funds to which local educational agencies do not have access.

(b) The purpose of this title is to provide financial assistance—

(1) to meet the special needs incident to the elimination of minority group segregation and discrimination among students and faculty in elementary and secondary schools;

(2) to encourage the voluntary elimination, reduction, or prevention of minority group isolation in elementary and secondary schools with substantial proportions of minority group students; and

(3) to aid school children in overcoming the educational disadvantages of minority group isolation.

POLICY WITH RESPECT TO THE APPLICATION OF CERTAIN PROVISIONS OF FEDERAL LAW

SEC. 703. (a) It is the policy of the United States that guidelines and criteria established pursuant to this title shall be applied uniformly in all regions of the United States in dealing with conditions of segregation by race in the schools of the local educational agencies of any State without regard to the origin or cause of such segregation.

(b) It is the policy of the United States that guidelines and criteria established pursuant to title VI of the Civil Rights Act of 1964 and section 182 of the Elementary and Secondary Education Amendments of 1966 shall be applied uniformly in all regions of the United States in dealing with conditions of segregation by race whether de jure or de facto in the schools of the local educational agencies of any State without regard to the origin or cause of such segregation.

APPROPRIATIONS

SEC. 704. (a) The Assistant Secretary shall, in accordance with the provisions of this title, carry out a program designed to achieve the purpose set forth in section 702(b). There are authorized to be appropriated for the purpose of carrying out this title, $1,000,000,000 for the fiscal year ending June 30, 1973, and $1,000,000,000 for the fiscal year ending June 30, 1974. Funds so appropriated shall remain available for obligation and expenditure during the fiscal year succeeding the fiscal year for which they are appropriated.

(b)(1) From the sums appropriated pursuant to subsection (a) for any fiscal year, the Assistant Secretary shall reserve an amount equal to 5 per centum thereof for the purposes of section 709.

(2) From the sums appropriated pursuant to subsection (a) for any fiscal year, the Assistant Secretary shall reserve an amount equal to 13 per centum thereof for the purposes of sections 708 (a) and (c), 711, and 713, of which—

(A) not less than an amount equal to 4 per centum of such sums shall be for the purposes of section 708(c); and

(B) not less than an amount equal to 3 per centum of such sums shall be for the purposes of section 711.

APPORTIONMENT AMONG STATES

SEC. 705. (a)(1) From the sums appropriated pursuant to section 704(a) which are not reserved under section 704(b) for any fiscal year, the Assistant Secretary shall apportion to each State for grants and contracts within that State $75,000 plus an amount which bears the same ratio to such sums as to the number of minority group children aged 5–17, inclusive, in that State bears to the number of such children in all States except that the amount apportioned to any State shall not be less than $100,000. The number of such children in each State and in all of the States shall be determined by the Assistant Secretary on the basis of the most recent available data satisfactory to him.

(2) The Assistant Secretary shall, in accordance with criteria established by regulation, reserve not in excess of 15 percentum of the sums appropriated pursuant to subsection 704(a) for grants to, and contracts with, local educational agencies in each State pursuant to section 706(b) to be apportioned to each State in accordance with paragraph (1) of this subsection.

(3) The Assistant Secretary shall reserve 8 per centum of the sums appropriated pursuant to subsection 704(a) for the purpose of section 708(b) to be apportioned to each State in accordance with paragraph (1) of this subsection.

(b)(1) The amount by which any apportionment to a State for a fiscal year under subsection (a) exceeds the amount which the Assistant Secretary determines will be required for such fiscal year for programs or projects within such State shall be available for reapportionment to other States in proportion to the original apportionments to such States under subsection (a) for that year, but with such proportionate amount for any such State being reduced to the extent it exceeds the sum the Assistant Secretary estimates such State needs and will be able to use for such year; and the total of such reductions shall be similarly reapportioned among the States whose proportionate amounts were not so reduced. Any amounts reapportioned to a State under this subsection during a fiscal year shall be deemed part of its apportionment under subsection (a) for such year.

(2) In order to afford ample opportunity for all eligible applicants in a State to submit applications for assistance under this title, the Assistant Secretary shall not fix a date for reapportionment, pursuant to this subsection, of any portion of any apportionment to a State for a fiscal year which date is earlier than sixty days prior to the end of such fiscal year.

(3) Notwithstanding the provisions of paragraph (1) of this subsection, no portion of any apportionment to a State for a fiscal year shall be available for reapportionment pursuant to this subsection unless the Assistant Secretary determines that the applications for assistance under this title which have been filed by eligible applicants in that State for which a portion of such apportionment has not been reserved (but which would

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necessitate use of that portion) are applications which do not meet the requirements of this title, as set forth in sections 706, 707, and 710, or which set forth programs or projects of such insufficient promise for achieving the purpose of this title stated in section 702(b) that their approval is not warranted.

ELIGIBILITY FOR ASSISTANCE

SEC. 706. (a)(1) The Assistant Secretary is authorized to make a grant to, or a contract with, a local educational agency—

(A) which is implementing a plan—

(i) which has been undertaken pursuant to a final order issued by a court of the United States, or a court of any State, or any other State agency or official of competent jurisdiction, and which requires the desegregation of minority group segregated children or faculty in the elementary and secondary schools of such agency, or otherwise requires the elimination or reduction of minority group isolation in such schools; or

(ii) which has been approved by the Secretary as adequate under title VI of the Civil Rights Act of 1964 for the desegregation of minority group segregated children or faculty in such schools; or

(B) which, without having been required to do so, has adopted and is implementing, or will, if assistance is made available to it under this title, adopt and implement, a plan for the complete elimination of minority group isolation in all the minority group isolated schools of such agency; or

(C) which has adopted and is implementing, or will, if assistance is made available to it under this Act, adopt and implement, a plan—

(i) to eliminate or reduce minority group isolation in one or more of the minority group isolated schools of such agency,

(ii) to reduce the total number of minority group children who are in minority group isolated schools of such agency, or

(iii) to prevent minority group isolation reasonably likely to occur (in the absence of assistance under this title) in any school in such district in which school at least 20 per centum, but not more than 50 per centum, of the enrollment consists of such children, or

(D) which, without having been required to do so, has adopted and is implementing, or will, if assistance is made available to it under this title, adopt and implement a plan to enroll and educate in the schools of such agency children who would not otherwise be eligible for enrollment because of nonresidence in the school district of such agency, where such enrollment would make a significant contribution toward reducing minority group isolation in one or more of the school districts to which such plan relates.

(2) (A) The Assistant Secretary is authorized, in accordance with special eligibility criteria established by regulation for the purposes of this paragraph, to make grants to, and contracts with, local educational agencies for the purposes of section 709(a)(1).

(B) A local educational agency shall be eligible for assistance under this paragraph only if—

(i) such agency is located within, or adjacent to, a Standard Metropolitan Statistical Area;

(ii) the schools of such agency are not attended by minority group children in a significant number or proportion; and

(iii) such local educational agency has made joint arrangements with a local educational agency, located within that Standard Metropolitan Statistical Area, and the schools of which are attended by minority group children in a significant proportion, for the establishment or maintenance of one or more integrated schools as provided in section 720(6).

(3) Upon a determination by the Assistant Secretary—

(i) that more than 50 per centum of the number of children in attendance at the schools of a local educational agency is minority group children; and

(ii) that such local educational agency has applied for and will receive at least an equal amount of assistance under subsection (b);

the Assistant Secretary is authorized to make a grant to, or contract with, such local educational agency for the establishment or maintenance of one or more integrated schools as defined in section 720(7).

(b) The Assistant Secretary is authorized to make grants to, or contracts with, local educational agencies, which are eligible under subsection (a), for unusually promising pilot programs or projects designed to overcome the adverse effects of minority group isolation by improving the academic achievement of children in one or more minority group isolated schools, if he determines that the local educational agency had a number of minority group children enrolled in its schools, for the fiscal year preceding the fiscal year for which assistance is to be provided, which (1) is at least 15,000, or (2) constitutes more than 50 per centum of the total number of children enrolled in such schools.

(c) No local educational agency making application under this section shall be eligible to receive a grant or contract in an amount in excess of the amount determined by the Assistant Secretary, in accordance with regulations setting forth criteria established for such purpose, to be the additional cost to the applicant arising out of activities authorized under this title, above that of the activities normally carried out by the local educational agency.

(d)(1) No educational agency shall be eligible for assistance under this title if it has, after the date of enactment of this title—

(A) transferred (directly or indirectly by gift, lease, loan, sale, or other means) real or personal property to, or made any services available to, any transferee which it knew or reasonably should have known to be a nonpublic school or school system (or any organization controlling, or intending to establish, such a school or school system) without prior determination that such nonpublic school or school system (i) is not operated on a racially segregated basis as an alternative for children seeking to avoid attendance in desegregated public schools, and (ii) does not otherwise practice, or permit to be practiced, discrimination on the basis of race, color, or national origin in the operation of any school activity;

(B) had in effect any practice, policy, or procedure which results in the disproportionate demotion or dismissal of instructional or other personnel from minority groups in conjunction with desegregation or the implementation of any plan or the conduct of any activity described in this section, or otherwise engaged in discrimination based upon race, color, or national origin in the hiring, promotion, or assignment of employees of the agency (or other personnel for whom the agency has any administrative responsibility);

(C) in conjunction with desegregation or the conduct of an activity described in this section, had in effect any procedure for the assignment of children to or within classes which results in the separation of minority group from nonminority group children for a substantial portion of the school day, except that this clause does not prohibit the use of bona fide ability grouping by a local educational agency as a standard pedagogical practice; or

(D) had in effect any other practice, policy, or procedure, such as limiting curricular or extracurricular activities (or participation therein by children) in order to avoid the participation of minority group children in such activities, which discriminates among children on the basis of race, color, or national origin;

except that, in the case of any local educational agency which is ineligible for assistance by reason of clause (A), (B), (C), or (D), such agency may make application for a waiver of ineligibility, which application shall specify the reason for its ineligibility, contain such information and assurances as the Secretary shall require by regulation in order to insure that any practice, policy, or procedure, or other activity resulting in the ineligibility has ceased to exist or occur and include such provisions as are necessary to insure that such activities do not reoccur after the submission of the application.

(2) Applications for waivers under paragraph (1) may be approved only by the Secretary. The Secretary's functions under this paragraph shall, notwithstanding any other provision of law, not be delegated.

(3) Applications for waiver shall be granted by the Secretary upon determination that any practice, policy, procedure or other activity resulting in ineligibility has ceased to exist, and that the applicant has given satisfactory assurance that the activities prohibited in this subsection will not reoccur.

(4) No application for assistance under this title shall be approved prior to a determination by the Secretary that the applicant is not ineligible by reason of this subsection.

(5) All determinations pursuant to this subsection shall be carried out in accordance with criteria and investigative procedures established by regulations of the Secretary for the purpose of compliance with this subsection.

(6) All determinations and waivers pursuant to this subsection shall be in writing. The Committee on Labor and Public Welfare of the Senate and the Committee on Education and Labor of the House of Representatives shall each be given notice of an intention to grant any waiver under this subsection, which notice shall be accompanied by a copy of the proposed waiver for which notice is given and copies of all determinations relating to such waiver. The Assistant Secretary shall not approve an application by a local educational agency which requires a waiver under this subsection prior to 15 days after receipt of the notice required by the preceding sentence by the chairman of the Committee on Labor and Public Welfare of the Senate and the chairman of the Committee on Education and Labor of the House of Representatives.

AUTHORIZED ACTIVITIES

SEC. 707. (a) Financial assistance under this title (except as provided by sections 708, 709, and 711) shall be available for programs and projects which would not otherwise be funded and which involve activities designed to carry out the purpose of this title stated in section 702(b):

(1) Remedial services, beyond those provided under the reguar school program conducted by the local educational agency, including student to student tutoring, to meet the special needs of children (including gifted and talented children) in schools which are affected by a plan or activity described in section 706 or a program described in section 708, when such services are deemed necessary to the success of such plan, activity, or program.

(2) The provision of additional professional or other staff members (including staff members specially trained in problems incident to desegregation or the elimination, reduction, or prevention of minority group isolation) and the training and retraining of staff for such schools.

(3) Recruiting, hiring, and training of teacher aides, provided that in recruiting teacher aides, preference shall be given to parents of children attending schools assisted under this title.

(4) Inservice teacher training designed to enhance the success of schools assisted under this title through contracts with institutions of higher education, or other institutions, agencies, and organizations individually determined by the Assistant Secretary to have special competence for such purpose.

(5) Comprehensive guidance, counseling, and other personal services for such children.

(6) The development and use of new curricula and instructional methods, practices, and techniques (and the acquisition of instructional materials relating thereto) to support a program of instruction for children from all racial, ethnic, and economic backgrounds, including instruction in the language and cultural heritage of minority groups.

(7) Educational programs using shared facilities for career education and other specialized activities.

(8) Innovative interracial educational programs or projects involving the joint participation of minority group children and other children attending different schools, including extracurricular activities and cooperative exchanges or other arrangements between schools within the same or different school districts.

(9) Community activities, including public information efforts, in support of a plan, program, project, or activity described in this title.

(10) Administrative and auxiliary services to facilitate the success of the program, project, or activity.

(11) Planning programs, projects, or activities under this title, the evaluation of such programs, projects, or activities, and dissemination of information with respect to such programs, projects, or activities.

(12) Repair or minor remodeling or alteration of existing school facilities (including the acquisition, installation, modernization, or replacement of instructional equipment) and the lease or purchase of mobile classroom units or other mobile education facilities.

In the case of programs, projects, or activities involving activities described in paragraph (12), the inclusion of such activities must be found to be a necessary component of, or necessary to facilitate, a program or project involving other activities described in this subsection or subsection (b), and in no case involve an expenditure in excess of 10 per centum of the amount made available to the applicant to carry out the program,

project, or activity. The Assistant Secretary shall by regulation define the term "repair or minor remodeling or alteration".

(b) Sums reserved under section 705(a)(2) with respect to any State shall be available for grants to, and contracts with, local educational agencies in that State making application for assistance under section 706(b) to carry out innovative pilot programs and projects which are specifically designed to assist in overcoming the adverse effects of minority group isolation, by improving the educational achievement of children in minority group isolated schools, including only the activities described in paragraphs (1) through (12) of subsection (a), as they may be used to accomplish such purpose.

SPECIAL PROGRAMS AND PROJECTS

SEC. 708. (a)(1) Amounts reserved by the Assistant Secretary pursuant to section 704(b)(2), which are not designated for the purposes of clause (A) or (B) thereof, or for section 713 shall be available to him for grants and contracts under this subsection.

(2) The Assistant Secretary is authorized to make grants to, and contracts with, State and local educational agencies, and other public agencies and organizations (or a combination of such agencies and organizations) for the purpose of conducting special programs and projects carrying out activities otherwise authorized by this title, which the Assistant Secretary determines will make substantial progress toward achieving the purposes of this title.

(b)(1) From not more than one half of the sums reserved pursuant to section 705(a)(3), the Assistant Secretary, in cases in which he finds that it would effectively carry out the purpose of this title stated in section 702(b), may assist by grant or contract any public or private nonprofit agency, institution, or organization (other than a local educational agency) to carry out programs or projects designed to support the development or implementation of a plan, program, or activity described in section 706(a).

(2) From the remainder of the sums reserved pursuant to section 705(a)(3), the Assistant Secretary is authorized to make grants to, and contracts with, public and private nonprofit agencies, institutions, and organizations (other than local educational agencies and nonpublic elementary and secondary schools) to carry out programs or projects designed to support the development or implementation of a plan, program, or activity described in section 706(a).

(c)(1) The Assistant Secretary shall carry out a program to meet the needs of minority group children who are from an environment in which a dominant language is other than English and who, because of language barriers and cultural differences, do not have equality of educational opportunity. From the amount reserved pursuant to section 704(b)(2)(A), the Assistant Secretary is authorized to make grants to, and contracts with—

> *(A) private nonprofit agencies, institutions, and organizations to develop curricula, at the request of one or more educational agencies which are eligible for assistance under section 706, designed to meet the special educational needs of minority group children who are from environments in which a dominant language is other than English, for the development of reading, writing, and speaking skills, in the English language and in the language of their parents or grandparents, and to meet the educational needs of such children and their*

classmates to understand the history and cultural background of the minority groups of which such children are members;

(B) local educational agencies eligible for assistance under section 706 for the purpose of engaging in such activities; or

(C) local educational agencies which are eligible to receive assistance under section 706, for the purpose of carrying out activities authorized under section 707(a) of this title to implement curricula developed under clauses (A) and (B) or curricula otherwise developed which the Assistant Secretary determines meets the purposes stated in clause (A).

In making grants and contracts under this paragraph, the Assistant Secretary shall assure that sufficient funds from the amount reserved pursuant to section 704(b)(2)(A) remain available to provide for grants and contracts under clause (C) of this paragraph for implementation of such curricula as the Assistant Secretary determines meet the purposes stated in clause (A) of this paragraph. In making a grant or contract under clause (C) of this paragraph, the Assistant Secretary shall take whatever action is necessary to assure that the implementation plan includes provisions adequate to insure training of teachers and other ancillary educational personnel.

(2)(A) In order to be eligible for a grant or contract under this subsection—

(i) a local educational agency must establish a program or project committee meeting the requirements of subparagraph (B), which will fully participate in the preparation of the application under this subsection and in the implementation of the program or project and join in submitting such application; and

(ii) a private nonprofit agency, institution, or organization must (I) establish a program or project board of not less than ten members which meets the requirements of subparagraph (B) and which shall exercise policymaking authority with respect to the program or project and (II) have demonstrated to the Assistant Secretary that it has the capacity to obtain the services of adequately trained and qualified staff.

(B) A program or project committee or board, established pursuant to subparagraph (A) must be broadly representative of parents, school officials, teachers, and interested members of the community or communities to be served, not less than half of the members of which shall be parents and not less than half of the members of which shall be members of the minority group the educational needs of which the program or project is intended to meet.

(3) All programs or projects assisted under this subsection shall be specifically designed to complement any programs or projects carried out by the local educational agency under section 706. The Assistant Secretary shall insure that programs of Federal financial assistance related to the purposes of this subsection are coordinated and carried out in a manner consistent with the provisions of this subsection, to the extent consistent with other law.

METROPOLITAN AREA PROJECTS

SEC. 709. (a) Sums reserved pursuant to section 704(b)(1) shall be available for the following purposes:

(1) A program of grants to, and contracts with, local educational agencies which are eligible under section 706(a)(2) in order to assist them

in establishing and maintaining integrated schools as defined in section 720(6).

(2) A program of any grant to groups of local educational agencies located in a Standard Metropolitan Statistical Area for the joint development of a plan to reduce and eliminate minority group isolation, to the maximum extent possible, in the public elementary and secondary schools in the Standard Metropolitan Statistical Area, which shall, as a minimum, provide that by a date certain, but in no event later than July 1, 1983, the percentage of minority group children enrolled in each school in the Standard Metropolitan Statistical Area shall be at least 50 per centum of the percentage of minority group children enrolled in all the schools in the Standard Metropolitan Statistical Area. No grant may be made under this paragraph unless—

(A) two-thirds or more of the local educational agencies in the Standard Metropolitan Statistical Area have approved the application, and

(B) the number of students in the schools of the local educational agencies which have approved the application constitutes two-thirds or more of the number of students in the schools of all the local educational agencies in the Standard Metropolitan Statistical Area.

(3) A program of grants to local educational agencies to pay all or part of the cost of planning and constructing integrated education parks. For the purpose of this paragraph, the term "education park" means a school or cluster of such schools located on a common site, within a Standard Metropolitan Statistical Area, of sufficient size to achieve maximum economy of scale consistent with sound educational practice, providing secondary education, with an enrollment in which a substantial proportion of the children is from educationally advantaged backgrounds, and which is representative of the minority group and nonminority group children in attendance at the schools of the local educational agencies in the Standard Metropolitan Statistical Area, or, if the applicant is a single local educational agency, representative of that of the local educational agency, and a faculty and administrative staff with substantial representation of minority group persons.

(b) In making grants and contracts under this section, the Assistant Secretary shall insure that at least one grant shall be for the purposes of paragraph (2) of subsection (a).

APPLICATIONS

SEC. 710. (a) Any local educational agency desiring to receive assistance under this title for any fiscal year shall submit to the Assistant Secretary an application therefor for that fiscal year at such time, in such form, and containing such information as the Assistant Secretary shall require by regulation. Such application, together with all correspondence and other written materials relating thereto, shall be made readily available to the public by the applicant and by the Assistant Secretary. The Assistant Secretary may approve such an application only if he determines that such application—

(1) in the case of applications under section 706, sets forth a program under which, and such policies and procedures as will assure that, (A) the applicant will use the funds received under this title only for the activities set forth in section 707 and (B) in the case of an application under section 706(b), the applicant will initiate or

expand an innovative program specifically designed to meet the educational needs of children attending one or more minority group isolated schools;

(2) has been developed—

(A) in open consultation with parents, teachers, and, where applicable, secondary school students, including public hearings at which such persons have had a full opportunity to understand the program for which assistance is being sought and to offer recommendations thereon, and

(B) except in the case of applications under section 708(c), with the participation of a committee composed of parents of children participating in the program for which assistance is sought, teachers, and, where applicable, secondary school students, of which at least half the members shall be such parents, and at least half shall be persons from minority groups;

(3) sets forth such policies and procedures as will insure that the program for which assistance is sought will be operated in consultation with, and with the involvement of, parents of the children and representatives of the area to be served, including the committee established for the purposes of clause (2)(B);

(4) sets forth such policies and procedures, and contains such information, as will insure that funds paid to the applicant under the application will be used solely to pay the additional cost to the applicant in carrying out the plan, program, and activity described in the application;

(5) contains such assurances and other information as will insure that the program for which assistance is sought will be administered by the applicant, and that any funds received by the applicant, and any property derived therefrom, will remain under the administration and control of the applicant;

(6) sets forth assurances that the applicant is not reasonably able to provide, out of non-Federal sources, the assistance for which the application is made;

(7) provides that the plan with respect to which such agency is seeking assistance (as specified in section 706(a)(1)(A) does not involve freedom of choice as a means of desegregation, unless the Assistant Secretary determines that freedom of choice has achieved, or will achieve, the complete elimination of a dual school system in the school district of such agency;

(8) provides assurances that for each academic year for which assistance is made available to the applicant under this title such agency has taken or is in the process of taking all practicable steps to avail itself of all assistance for which it is eligible under any program administered by the Commissioner;

(9) provides assurances that such agency will carry out, and comply with, all provisions, terms, and conditions of any plan, program, or activity as described in section 706 or section 708(c) upon which a determination of its eligibility for assistance under this title is based;

(10) sets forth such policies and procedures, and contains such information, as will insure that funds made available to the applicant (A) under this title will be so used (i) as to supplement and, to the extent practicable, increase the level of funds that would, in the absence of such funds, be made available from non-Federal sources for the purposes of the program for which assistance is sought, and

for promoting the integration of the schools of the applicant, and for the education of children participating in such program, and (ii) in no case, as to supplant such funds from non-Federal sources, and (B) under any other law of the United States will, in accordance with standards established by regulation, be used in coordination with such programs to the extent consistent with such other law;

(11) in the case of an application for assistance under section 706, provides that the program, project, or activity to be assisted will involve an additional expenditure per pupil to be served, determined in accordance with regulations prescribed by the Assistant Secretary, of sufficient magnitude to provide reasonable assurance that the desired funds under this title will not be dispersed in such a way as to undermine their effectiveness;

(12) provides that (A) to the extent consistent with the number of minority group children in the area to be served who are enrolled in private nonprofit elementary and secondary schools which are operated in a manner free from discrimination on the basis of race, color, or national origin, and which do not serve as alternatives for children seeking to avoid attendance in desegregated or integrated public schools, whose participation would assist in achieving the purpose of this title stated in section 702(b) provides assurance that such agency (after consultation with the appropriate private school officials) has made provision for their participation on an equitable basis, and (B) to the extent consistent with the number of children, teachers, and other educational staff in the school district of such agency enrolled or employed in private nonprofit elementary and secondary schools whose participation would assist in achieving the purpose of this title stated in section 702(b) or, in the case of an application under section 708(c), would assist in meeting the needs described in that subsection, such agency (after consultation with the appropriate private school officials) has made provisions for their participation on an equitable basis;

(13) provides that the applicant has not reduced its fiscal effort for the provision of free public education for children in attendance at the schools of such agency for the fiscal year for which assistance is sought under this title to less than that of the second preceding fiscal year, and that the current expenditure per pupil which such agency makes from revenues derived from its local sources for the fiscal year for which assistance under this title will be made available to such agency is not less than such expenditure per pupil which such agency made from such revenues for (A) the fiscal year preceding the fiscal year during which the implementation of a plan described in section 706(a)(1)(A) was commenced, or (B) the third fiscal year preceding the fiscal year for which such assistance will be made available under this title, whichever is later;

(14) provides that the appropriate State educational agency has been given reasonable opportunity to offer recommendations to the applicant and to submit comments to the Assistant Secretary;

(15) sets forth effective procedures, including provisions for objective measurement of change in educational achievement and other change to be effected by programs conducted under this title, for the continuing evaluation of programs, projects, or activities under this title, including their effectiveness in achieving clearly stated program goals, their impact on related programs and upon the community served, and their structure and mechanisms for the delivery of

services, and including, where appropriate, comparisons with proper control groups composed of persons who have not participated in such programs or projects; and

(16) provides (A) that the applicant will make periodic reports at such time, in such form, and containing such information as the Assistant Secretary may require by regulation, which regulation may require at least—

(i) in the case of reports relating to performance, that the reports be consistent with specific criteria related to the program objectives, and

(ii) that the reports include information relating to educational achievement of children in the schools of the applicant, and (B) that the applicant will keep such records and afford such access thereto as—

(i) will be necessary to assure the correctness of such reports and to verify them, and

(ii) will be necessary to assure the public adequate access to such reports and other written materials.

(b) No application under this section may be approved which is not accompanied by the written comments of a committee established pursuant to clause (2)(B) of subsection (a). The Assistant Secretary shall not approve an application without first affording the committee an opportunity for an informal hearing if the committee requests such a hearing.

(c) In approving applications submitted under this title (except for those submitted under sections 708(b) and (c) and 711), the Assistant Secretary shall apply only the following criteria:

(1) the need for assistance, taking into account such factors as—

(A) the extent of minority group isolation (including the number of minority group isolated children and the relative concentration of such children) in the school district to be served as compared to other school districts in the State,

(B) the financial need of such school district as compared to other school districts in the State,

(C) the expense and difficulty of effectively carrying out a plan or activity described in section 706 or a program described in section 708(a) in such school district as compared to other school districts in the State, and

(D) the degree to which measurable deficiencies in the quality of public education afforded in such school district exceed those of other school districts within the State;

(2) the degree to which the plan or activity described in section 706 (a), and the program or project to be assisted, or the program described in section 708(a) are likely to effect a decrease in minority group isolation in minority group isolated schools, or in the case of applications submitted under section 706(a)(1)(C)(iii), the degree to which the plan and the program or project, are likely to prevent minority group isolation from occurring or increasing (in the absence of assistance under this title);

(3) the extent to which the plan or activity described in section 706 constitutes a comprehensive districtwide approach to the elimination of minority groups isolation, to the maximum extent practicable, in the schools of such school district;

(4) the degree to which the program, project, or activity to be assisted affords promise of achieving the purpose of this title stated in section 702(b);

(5) that (except in the case of an application submitted under section 708(a)) the amount necessary to carry out effectively the project or activity does not exceed the amount available for assistance in the State under this title in relation to the other applications from the State pending before him; and

(6) the degree to which the plan or activity described in section 706 involves to the fullest extent practicable the total educational resources, both public and private, of the community to be served.

(d)(1) The Assistant Secretary shall not give less favorable consideration to the application of a local educational agency (including an agency currently classified as legally desegregated by the Secretary) which has voluntarily adopted a plan qualified for assistance under this title (due only to the voluntary nature of the action) than to the application of a local educational agency which has been legally required to adopt such a plan.

(2) The Assistant Secretary shall not finally disapprove in whole or in part any application for funds submitted by a local educational agency without first notifying the local educational agency of the specific reasons for his disapproval and without affording the agency an appropriate opportunity to modify its application.

(e) The Assistant Secretary may, from time to time, set dates by which applications shall be filed.

(f) In the case of an application by a combination of local educational agencies for jointly carrying out a program or project under this title, at least one such agency shall be a local educational agency described in section 706(a) or section 708 (a) or (c) and any one or more of such agencies joining in such application may be authorized to administer such program or project.

(g) No State shall reduce the amount of State aid with respect to the provision of free public education in any school district of any local educational agency within such State because of assistance made or to be made available to such agency under this title.

EDUCATIONAL TELEVISION

SEC. 711. (a) The sums reserved pursuant to section 704(b)(2)(B) for the purpose of carrying out this section shall be available for grants and contracts in accordance with subsection (b).

(b)(1) The Assistant Secretary shall carry out a program of making grants to, or contracts with, not more than ten public or private nonprofit agencies, institutions, or organizations with the capability of providing expertise in the development of television programing, in sufficient number to assure diversity, to pay the cost of development and production of integrated children's television programs of cognitive and effective educational value.

(2) Television programs developed in whole or in part with assistance provided under this title shall be made reasonably available for transmission, free of charge, and shall not be transmitted under commercial sponsorship.

(3) The Assistant Secretary may approve an application under this section only if he determines that the applicant—

(A) will employ members of minority groups in responsible positions in development, production, and administrative staffs;

(B) will use modern television techniques of research and production; and

(C) has adopted effective procedures for evaluating education and other change achieved by children viewing the program.

PAYMENTS

SEC. 712. (a) Upon his approval of an application for assistance under this title, the Assistant Secretary shall reserve from the applicable apportionment (including any applicable reapportionment) available therefor the amount fixed for such application.

(b) The Assistant Secretary shall pay to the applicant such reserved amount, in advance or by way of reimbursement, and in such installments consistent with established practice, as he may determine.

(c)(1) If a local educational agency in a State is prohibited by law from providing for the participation of children and staff enrolled or employed in private nonprofit elementary and secondary schools as required by paragraph (12) of section 710(a), the Assistant Secretary may waive such requirement with respect to local educational agencies in such State and, upon the approval of an application from a local educational agency within such State, shall arrange for the provision of services to such children enrolled in, or teachers or other educational staff of, any nonprofit private elementary or secondary school located within the school district of such agency if the participation of such children and staff would assist in achieving the purpose of this title stated in section 702(b) or in the case of an application under section 708(c) would assist in meeting the needs described in that subsection. The services to be provided through arrangements made by the Assistant Secretary under this paragraph shall be comparable to the services to be provided by such local educational agency under such application. The Assistant Secretary shall pay the cost of such arrangements from such State's allotment or, in the case of an application under section 708(c), from the funds reserved under section 704(b)(2)(A), or in case of an application under section 708(a), from the sums available to the Assistant Secretary under section 704(b)(2) for the purpose of that subsection.

(2) In determining the amount to be paid pursuant to paragraph (1), the Assistant Secretary shall take into account the number of children and teachers and other educational staff who, except for provisions of State law, might reasonably be expected to participate in the program carried out under this title by such local educational agency.

(3) If the Assistant Secretary determines that a local educational agency has substantially failed to provide for the participation on an equitable basis of children and staff enrolled or employed in private nonprofit elementary and secondary schools as required by paragraph (12) of section 710(a) he shall arrange for the provision of services to children enrolled in, or teachers or other educational staff of, the nonprofit private elementary or secondary school or schools located within the school district of such local educational agency, which services shall, to the maximum extent feasible, be identical with the services which would have been provided such children or staff had the local educational agency carried out such assurance. The Assistant Secretary shall pay the cost of such services from the grant to such local educational agency and shall have the authority for this purpose of recovering from such agency any funds paid to it under such grant.

(d) After making a grant or contract under this title, the Assistant Secretary shall notify the appropriate State educational agency of the name of the approved applicant and of the amount approved.

EVALUATIONS

SEC. 713. The Assistant Secretary is authorized to reserve not in excess of 1 per centum of the sums appropriated under this title, and reserved pursuant to section 704(b)(2), for any fiscal year for the purposes of this section. From such reservation, the Assistant Secretary is authorized to make grants to, and contracts with, State educational agencies, institutions of higher education and private organizations, institutions, and agencies, including committees established pursuant to section 710(a)(2) for the purpose of evaluating specific programs and projects assisted under this title.

REPORTS

SEC. 714. The Assistant Secretary shall make periodic detailed reports concerning his activities in connection with the program authorized by this title and the program carried out with appropriations under the paragraph headed "Emergency School Assistance" in the Office of Education Appropriations Act, 1971 (Public Law 91-380), and the effectiveness of programs and projects assisted under this title in achieving the purpose of this title stated in section 702(b). Such reports shall contain such information as may be necessary to permit adequate evaluation of the program authorized by this title, and shall include application forms, regulations, program guides, and guidelines used in the administration of the program. The report shall be submitted to the President and to the Committee on Labor and Public Welfare of the Senate and the Committee on Education and Labor of the House of Representatives. The first report submitted pursuant to this section shall be submitted no later than ninety days after the enactment of this title. Subsequent reports shall be submitted no less often than two times annually.

JOINT FUNDING

SEC. 715. Pursuant to regulations prescribed by the President, where funds are advanced under this title, and by one or more other Federal agencies for any project or activity funded in whole or in part under this title, any one of such Federal agencies may be designated to act for all in administering the funds advanced. In such cases, any such agency may waive any technical grant or contract requirement (as defined by regulations) which is inconsistent with the similar requirements of the administering agency or which the administering agency does not impose. Nothing in this section shall be construed to authorize (1) the use of any funds appropriated under this title for any purpose not authorized herein, (2) a variance of any reservation or apportionment under section 704 or 705, or (3) waiver of any requirement set forth in sections 706 through 711.

NATIONAL ADVISORY COUNCIL

SEC. 716. (a) There is hereby established a National Advisory Council on Equality of Educational Opportunity, consisting of fifteen members, at least one-half of whom shall be representative of minority groups, appointed by the President, which shall—

(1) advise the Assistant Secretary with respect to the operation of the program authorized by this title, including the preparation of regulations and the development of criteria for the approval of applications;

(2) review the operation of the program (A) with respect to its effectiveness in achieving its purpose as stated in section 702(b), and

(B) with respect to the Assistant Secretary's conduct in the administration of the program;

(3) meet not less than four times in the period during which the program is authorized, and submit through the Secretary, to the Congress at least two interim reports, which reports shall include a statement of its activities and of any recommendations it may have with respect to the operation of the program; and

(4) not later than December 1, 1973, submit to the Congress a final report on the operation of the program.

(b) The Assistant Secretary shall submit an estimate in the same manner provided under section 400(c) and part D of the General Education Provisions Act to the Congress for the appropriations necessary for the Council created by subsection (a) to carry out its functions.

GENERAL PROVISIONS

SEC. 717. (a) The provisions of parts C and D of the General Education Provisions Act shall apply to the program of Federal assistance authorized under this title as if such program were an applicable program under such General Education Provisions Act, and the Assistant Secretary shall have the authority vested in the Commissioner of Education by such parts with respect to such program.

(b) Section 422 of such General Education Provisions Act is amended by inserting "the Emergency School Aid Act;" after "the International Education Act of 1966;".

ATTORNEY FEES

SEC. 718. Upon the entry of a final order by a court of the United States against a local educational agency, a State (or any agency thereof), or the United States (or any agency thereof), for failure to comply with any provision of this title or for discrimination on the basis of race, color, or national origin in violation of title VI of the Civil Rights Act of 1964, or the fourteenth amendment to the Constitution of the United States as they pertain to elementary and secondary education, the court, in its discretion, upon a finding that the proceedings were necessary to bring about compliance, may allow the prevailing party, other than the United States, a reasonable attorney's fee as part of the costs.

NEIGHBORHOOD SCHOOLS

SEC. 719. Nothing in this title shall be construed as requiring any local educational agency which assigns students to schools on the basis of geographic attendance areas drawn on a racially nondiscriminatory basis to adopt any other method of student assignment.

DEFINITIONS

SEC. 720. Except as otherwise specified, the following definitions shall apply to the terms used in this title:

(1) The term "Assistant Secretary" means the Assistant Secretary of Health, Education, and Welfare for Education.

(2) The term "current expenditure per pupil" for a local educational agency means (1) the expenditures for free public education, including expenditures for administration, instruction, attendance and health services, pupil transportation services, operation and maintenance of plant, fixed charges, and net expenditures to cover deficits for food services

and student body activities, but not including expenditures for community services, capital outlay and debt service, or any expenditure made from funds granted under such Federal program of assistance as the Secretary may prescribe, divided by (2) the number of children in average daily attendance to whom such agency provided free public education during the year for which the computation is made.

(3) The term "elementary school" means a day or residential school which provides elementary education, as determined under State law.

(4) The term "equipment" includes machinery, utilities and built-in equipment and any necessary enclosures or structures to house them, and includes all other items necessary for the provision of educational services, such as instructional equipment and necessary furniture, printed, published, and audiovisual instructional materials, and other related material.

(5) The term "institution of higher education" means an educational institution in any State which—

(A) admits as regular students only individuals having a certificate of graduation from a high school, or the recognized equivalent of such a certificate;

(B) is legally authorized within such State to provide a program of education beyond high school;

(C) provides an educational program for which it awards a bachelor's degree; or provides not less than a two-year program which is acceptable for full credit toward such a degree, or offers a two-year program in engineering, mathematics, or the physical or biological sciences which is designed to prepare the student to work as a technician and at a semiprofessional level in engineering, scientific, or other technological fields which require the understanding and application of basic engineering, scientific, or mathematical principles or knowledge;

(D) is a public or other nonprofit institution; and

(E) is accredited by a nationally recognized accrediting agency or association listed by the Commissioner for the purposes of this paragraph.

(6) For the purpose of section 706(a)(2) and section 709(a)(1), the term "integrated school" means a school with an enrollment in which a substantial proportion of the children is from educationally advantaged backgrounds, in which the proportion of minority group children is at least 50 per centum of the proportion of minority group children enrolled in all schools of the local educational agencies within the Standard Metropolitan Statistical Area, and which has a faculty and administrative staff with substantial representation of minority group persons.

(7) For the purpose of section 706(a)(3), the term *"integrated school" means a school with (i) an enrollment in which a substantial proportion of the children is from educationally advantaged backgrounds, and in which the Assistant Secretary determines that the number of nonminority group children constitutes that proportion of the enrollment which will achieve stability, in no event more than 65 per centum thereof, and (ii) a faculty which is representative of the minority group and nonminority group population of the larger community in which it is located, or, whenever the Assistant Secretary determines that the local educational agency concerned is attempting to increase the proportions of minority group teachers, supervisors, and administrators in its employ, a faculty which is representative of the minority group and nonminority group faculty employed by the local educational agency.*

(8) The term "local educational agency" means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a State, or a federally recognized Indian reservation, or such combination of school districts, or counties as are recognized in a State as an administrative agency for its public elementary or secondary schools, or a combination of local educational agencies; and includes any other public institution or agency having administrative control and direction of a public elementary or secondary school and where responsibility for the control and direction of the activities in such schools which are to be assisted under this title is vested in an agency subordinate to such a board or other authority, the Assistant Secretary may consider such subordinate agency as a local educational agency for purpose of this title.

(9)(A) The term "minority group" refers to (i) persons who are Negro, American Indian, Spanish-surnamed American, Portuguese, Oriental, Alaskan natives, and Hawaiian natives and (ii) (except for the purposes of section 705), as determined by the Assistant Secretary, persons who are from environments in which a dominant language is other than English and who, as a result of language barriers and cultural differences, do not have an equal educational opportunity, and (B) the term "Spanish-surnamed American" includes persons of Mexican, Puerto Rican, Cuban, or Spanish origin or ancestry.

(10) The terms "minority group isolated school" and "minority group isolation" in reference to a school mean a school and condition, respectively, in which minority group children constitute more than 50 per centum of the enrollment of a school.

(11) The term "nonprofit" as applied to a school, agency, organization, or institution means a school, agency, organization, or institution owned and operated by one or more nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

(12) The term "secondary school" means a day or residential school which provides secondary education, as determined under State law, except that it does not include any education provided beyond grade 12.

(13) The term "Standard Metropolitan Statistical Area" means the area in and around a city of fifty thousand inhabitants or more as defined by the Office of Management and Budget.

(14) The term "State" means one of the fifty States or the District of Columbia, and for purposes of section 708(a), Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands shall be deemed to be States.

(15) The term "State educational agency" means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or, if there is no such officer or agency, an officer or agency designated by the Governor or by State law for this purpose.

TITLE VIII—GENERAL PROVISIONS RELATING TO THE ASSIGNMENT OR TRANSPORTATION OF STUDENTS

PROHIBITION AGAINST ASSIGNMENT OR TRANSPORTATION OF STUDENTS TO OVERCOME RACIAL IMBALANCE

SEC. 801. No provision of this Act shall be construed to require the assignment or transportation of students or teachers in order to overcome racial imbalance.

PROHIBITION AGAINST USE OF APPROPRIATED FUNDS FOR BUSING

SEC. 802(a). No funds appropriated for the purpose of carrying out any applicable program may be used for the transportation of students or teachers (or for the purchase of equipment for such transportation) in order to overcome racial imbalance in any school or school system, or for the transportation of students or teachers (or for the purchase of equipment for such transportation) in order to carry out a plan of racial desegregation of any school or school system, except on the express written voluntary request of appropriate local school officials. No such funds shall be made available for transportation when the time or distance of travel is so great as to risk the health of the children or significantly impinge on the educational process of such children, or where the educational opportunities available at the school to which it is proposed that any such student be transported will be substantially inferior to those opportunities offered at the school to which such student would otherwise be assigned under a nondiscriminatory system of school assignments based on geographic zones established without discrimination on account of race, religion, color, or national origin.

(b) No officer, agent, or employee of the Department of Health, Education, and Welfare (including the Office of Education), the Department of Justice, or any other Federal agency shall, by rule, regulation, order, guideline, or otherwise, (1) urge, persuade, induce, or require any local education agency, or any private nonprofit agency, institution, or organization to use any funds derived from any State or local sources for any purpose, unless constitutionally required, for which Federal funds appropriated to carry out any applicable program may not be used, as provided in this section, or (2) condition the receipt of Federal funds under any Federal program upon any action by any State or local public officer or employee which would be prohibited by clause (1) on the part of a Federal officer or employee. No officer, agent, or employee of the Department of Health, Education, and Welfare (including the Office of Education) or any other Federal agency shall urge, persuade, induce, or require any local education agency to undertake transportation of any student where the time or distance of travel is so great as to risk the health of the child or significantly impinge on his or her educational process; or where the educational opportunities available at the school to which it is proposed that such student be transported will be substantially inferior to those offered at the school to which such student would otherwise be assigned

under a nondiscriminatory system of school assignments based on geographic zones established without discrimination on account of race, religion, color, or national origin.

(c) An applicable program means a program to which the General Education Provisions Act applies.

PROVISION RELATING TO COURT APPEALS

SEC. 803. Notwithstanding any other law or provision of law, in the case of any order on the part of any United States district court which requires the transfer or transportation of any student or students from any school attendance area prescribed by competent State or local authority for the purposes of achieving a balance among students with respect to race, sex, religion, or socioeconomic status, the effectiveness of such order shall be postponed until all appeals in connection with such order have been exhausted or, in the event no appeals are taken, until the time for such appeals has expired. This section shall expire at midnight on January 1, 1974.

PROVISION AUTHORIZING INTERVENTION IN COURT ORDERS

SEC. 804. A parent or guardian of a child, or parents or guardians of children similarly situated, transported to a public school in accordance with a court order, may seek to reopen or intervene in the further implementation of such court order, currently in effect, if the time or distance of travel is so great as to risk the health of the student or significantly impinge on his or her educational process.

PROVISION REQUIRING THAT RULES OF EVIDENCE BE UNIFORM

SEC. 805. The rules of evidence required to prove that State or local authorities are practicing racial discrimination in assigning students to public schools shall be uniform throughout the United States.

APPLICATION OF PROVISO OF SECTION 407(a) OF THE CIVIL RIGHTS ACT OF 1964 TO THE ENTIRE UNITED STATES

SEC. 806. The proviso of section 407(a) of the Civil Rights Act of 1964 providing in substance that no court or official of the United States shall be empowered to issue any order seeking to achieve a racial balance in any school by requiring the transportation of pupils or students from one school to another or one school district to another in order to achieve such racial balance, or otherwise enlarge the existing power of the court to insure compliance with constitutional standards shall apply to all public school pupils and to every public school system, public school and public school board, as defined by title IV, under all circumstances and conditions and at all times in every State, district, territory, Commonwealth, or possession of the United States, regardless of whether the residence of such public school pupils or the principal offices of such public school system, public school or public school board is situated in the northern, eastern, western, or southern part of the United States.

TITLE IX—PROHIBITION OF SEX DISCRIMINATION

SEX DISCRIMINATION PROHIBITED

SEC. 901. (a) No person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance, except that:

(1) in regard to admissions to educational institutions, this section shall apply only to institutions of vocational education, professional education, and graduate higher education, and to public institutions of undergraduate higher education:

(2) in regard to admissions to educational institutions, this section shall not apply (A) for one year from the date of enactment of this Act, nor for six years after such date in the case of an educational institution which has begun the process of changing from being an institution which admits only students of one sex to being an institution which admits students of both sexes, but only if it is carrying out a plan for such a change which is approved by the Commissioner of Education or (B) for seven years from the date an educational institution begins the process of changing from being an institution which admits only students of only one sex to being an institution which admits students of both sexes, but only if it is carrying out a plan for such a change which is approved by the Commissioner of Education, whichever is the later;

(3) this section shall not apply to an educational institution which is controlled by a religious organization if the application of this subsection would not be consistent with the religious tenets of such organization;

(4) this section shall not apply to an educational institution whose primary purpose is the training of individuals for the military services of the United States, or the merchant marine; and

(5) in regard to admissions this section shall not apply to any public institution of undergraduate higher education which is an institution that traditionally and continually from its establishment has had a policy of admitting only students of one sex.

(b) Nothing contained in subsection (a) of this section shall be interpreted to require any educational institution to grant preferential or disparate treatment to the members of one sex on account of an imbalance which may exist with respect to the total number or percentage of persons of that sex participating in or receiving the benefits of any federally supported program or activity, in comparison with the total number or percentage of persons of that sex in any community, State, section, or other area: Provided, That this subsection shall not be construed to prevent the consideration in any hearing or proceeding under this title of statistical evidence tending to show that such an imbalance exists with respect to the participation in, or receipt of the benefits of, any such program or activity by the members of one sex.

(c) For purposes of this title an educational institution means any public or private preschool, elementary, or secondary school, or any institution of vocational, professional, or higher education, except that in the case of an educational institution composed of more than one school, college, or department which are administratively separate units, such term means each such school, college, or department.

FEDERAL ADMINISTRATIVE ENFORCEMENT

SEC. 902. Each Federal department and agency which is empowered to extend Federal financial assistance to any education program or activity, by way of grant, loan, or contract other than a contract of insurance or guaranty, is authorized and directed to effectuate the provisions of section 901 with respect to such program or activity by issuing rules, regulations, or orders of general applicability which shall be consistent with achievement of the objectives of the statute authorizing the financial assistance in connection with which the action is taken. No such rule, regulation, or order shall become effective unless and until approved by the President. Compliance with any requirement adopted pursuant to this section may be effected (1) by the termination of or refusal to grant or to continue assistance under such program or activity to any recipient as to whom there has been an express finding on the record, after opportunity for hearing, of a failure to comply with such requirement, but such termination or refusal shall be limited to the particular political entity, or part thereof, or other recipient as to whom such a finding has been made, and shall be limited in its effect to the particular program, or part thereof, in which such noncompliance has been so found, or (2) by any other means authorized by law: Provided, however, That no such action shall be taken until the department or agency concerned has advised the appropriate person or persons of the failure to comply with the requirement and has determined that compliance cannot be secured by voluntary means. In the case of any action terminating, or refusing to grant or continue, assistance because of failure to comply with a requirement imposed pursuant to this section, the head of the Federal department or agency shall file with the committees of the House and Senate having legislative jurisdiction over the program or activity involved a full written report of the circumstances and the grounds for such action. No such action shall become effective until thirty days have elapsed after the filing of such report.

JUDICIAL REVIEW

SEC. 903. Any department or agency action taken pursuant to section 1002 shall be subject to such judicial review as may otherwise be provided by law for similar action taken by such department or agency on other grounds. In the case of action, not otherwise subject to judicial review, terminating or refusing to grant or to continue financial assistance upon a finding of failure to comply with any requirement imposed pursuant to section 902, any person aggrieved (including any State or political subdivision thereof and any agency of either) may obtain judicial review of such action in accordance with chapter 7 of title 5, United States Code, and such action shall not be deemed committed to unreviewable agency discretion within the meaning of section 701 of that title.

PROHIBITION AGAINST DISCRIMINATION AGAINST THE BLIND

SEC. 904. No person in the United States shall, on the ground of blindness or severely impaired vision, be denied admission in any course of study by a recipient of Federal financial assistance for any education program or activity, but nothing herein shall be construed to require any such institution to provide any special services to such person because of his blindness or visual impairment.

EFFECT ON OTHER LAWS

SEC. 905. Nothing in this title shall add to or detract from any existing authority with respect to any program or activity under which Federal financial assistance is extended by way of a contract of insurance or guaranty.

AMENDMENTS TO OTHER LAWS

SEC. 906. (a) Sections 401(b), 407(a)(2), 410, and 902 of the Civil Rights Act of 1964 (42 U.S.C. 2000c(b), 2000c–6(a)(2), 2000c–9, and 2000h–2) are each amended by inserting the word "sex" after the word "religion".

(b)(1) Section 13(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 213(a)) is amended by inserting after the words "the provisons of section 6" the following: "(except section 6(d) in the case of paragraph (1) of this subsection)".

(2) Paragraph (1) of subsection 3(r) of such Act (29 U.S.C. 203 (r)(1)) is amended by deleting "an elementary or secondary school" and inserting in lieu thereof "a preschool, elementary or secondary school".

(3) Section 3(s)(4) of such Act (29 U.S.C. 203(s)(4)) is amended by deleting "an elementary or secondary school" and inserting in lieu thereof "a preschool, elementary or secondary school".

INTERPRETATION WITH RESPECT TO LIVING FACILITIES

Sec. 907. Notwithstanding anything to the contrary contained in this title, nothing contained herein shall be construed to prohibit any educational institution receiving funds under this Act, from maintaining separate living facilities for the different sexes.

TITLE X—ASSISTANCE TO INSTITUTIONS OF HIGHER EDUCATION

ASSISTANCE TO INSTITUTIONS OF HIGHER EDUCATION

Sec. 1001. (a) Part A of Title IV of the Higher Education Act of 1965 is amended by inserting at the end thereof the following new subpart:

"Subpart 5—Assistance to Institutions of Higher Education

"PAYMENTS TO INSTITUTIONS OF HIGHER EDUCATION

"SEC. 419. (a) Each institution of higher education shall be entitled for each fiscal year to a cost-of-education payment in accordance with the provisions of this section.

"(b)(1) The amount of the cost-of-education payment to which an institution shall be entitled under this section for a fiscal year shall be, subject to subsection (d), the amount determined under paragraph (2)(A) plus the amount determined under paragraph (2)(B).

"(2)(A)(i) The Commissioner shall determine the amount to which an institution is entitled under this subparagraph on the basis of the total number of undergraduate students who are in attendance at the institution and the number of students who are also recipients of basic grants under subpart 1, in accordance with the following table:

"If the total number of students in attendance is—	*The amount of the grant is—*
Not over 1,000	*$500 for each recipient.*
Over 1,000 but not over 2,500	*$500 for each of 100 recipients; plus $400 for each recipient in excess of 100.*
Over 2,500 but not over 5,000	*$500 for each of 100 recipients; plus $400 for each of 150 recipients in excess of 100; plus $300 for each recipient in excess of 250.*
Over 5,000 but not over 10,000	*$500 for each of 100 recipients; plus $400 for each of 150 recipients in excess of 100; plus $300 for each of 250 recipients in excess of 250; plus $200 for each recipient in excess of 500.*
Over 10,000	*$500 for each of 100 recipients; plus $400 for each of 150 recipients in excess of 100; plus $300 for each of 250 recipients in excess of 250; plus $200 for each of 500 recipients in excess of 500; plus $100 for each recipient in excess of 1,000.*

"(ii) In any case where a recipient of a basic grant under subpart 1 attends an institution receiving a cost-of-education payment under this subpart on less than a full-time basis, the amount determined under this subparagraph with respect to that student shall be reduced in proportion to the degree to which that student is not attending on a full-time basis.

"(iii) If during any period of any fiscal year the funds available for making payments on the basis of entitlements established under this

subparagraph are insufficient to satisfy fully all such entitlements, the amount paid with respect to each such entitlement shall be ratably reduced. When additional funds become available for such purpose, the amount of payment from such additional funds shall be in proportion to the degree to which each such entitlement is unsatisfied by the payments made under the first sentence of this division.

"(B)(i) The Commissioner shall determine with respect to each institution an amount equal to the appropriate per centum (specified on the table below) of the aggregate of—

"(I) supplemental educational opportunity grants under subpart 2;

"(II) work-study payments under part C; and

"(III) loans to students under part E;

made for such year to students who are in attendance at such institution. The Commissioner shall determine such amounts on the basis of percentages of such aggregate, and the number of students in attendance at institutions during the most recent academic year ending prior to such fiscal year, in accordance with the following table:

"If the number of students in attendance at the institution is—	*The percentage of such, aggregate shall be—*
Not over 1,000	*50 per centum.*
Over 1,000 but not over 3,000	*46 per centum.*
Over 3,000 but not over 10,000	*42 per centum.*
Over 10,000	*38 per centum.*

"(ii) If during any period of any fiscal year the funds available for making payments on the basis of entitlements established under this subparagraph are insufficient to satisfy fully all such entitlements, the amount paid with respect to each such entitlement shall be ratably reduced. When additional funds become available for such purpose, the amount of payment from such additional funds shall be in proportion to the degree to which each such entitlement is unsatisfied by the payments made under the first sentence of this division.

"(3)(A) In determining the number of students in attendance at institutions of higher education under this subsection, the Commissioner shall compute the full-time equivalent of part-time students.

"(B) The Commissioner shall make a separate determination of the number of students in attendance at an institution of higher education and the number of recipients of basic grants at any such institution at each branch or separate campus of that institution located in a different community from the principal campus of that institution pursuant to criteria established by him.

"(c)(1) An institution of higher education may receive a cost-of-education payment in accordance with this section only upon application therefor. An application under this section shall be submitted at such time or times, in such manner, and containing such information as the Commissioner determines necessary to carry out his functions under this title, and shall—

"(A) set forth such policies, assurances, and procedures as will insure that—

"(i) the funds received by the institution under this section will be used solely to defray instructional expenses in academically related programs of the applicant;

"(ii) the funds received by the institution under this section will not be used for a school or department of divinity or for any religious worship or sectarian activity;

"(iii) the applicant will expend, during the academic year for which a payment is sought, for all academically related programs of the institution, an amount equal to at least the average amount so expended during the three years preceding the year for which the grant is sought; and

"(iv) the applicant will submit to the Commissioner such reports as the Commissioner may require by regulation; and

"(B) contain such other statement of policies, assurances, and procedures as the Commissioner may require by regulation in order to protect the financial interests of the United States.

"(d)(1) The Commissioner shall pay to each institution of higher education for each fiscal year the amount to which it is entitled under this section.

"(2) Of the total sums appropriated to make payments on the basis of entitlements established under this section and on the basis of entitlements established under part F of title IX—

"(A) 45 per centum shall be available for making payments on the basis of entitlements established under paragraph (2)(A) of subsection (a);

"(B) 45 per centum shall be available for making payments on the basis of entitlements established under paragraph (2)(B) of subsection (a); and

"(C) 10 per centum shall be available for making payments on the basis of entitlements established under part F of title IX.

"(3) No payments on the basis of entitlements established under paragraph (2)(A) of subsection (a) may be made during any fiscal year for which the appropriations for making grants under subpart 1 does not equal at least 50 per centum of the appropriation necessary for satisfying the total of all entitlements established under such subpart. In no event shall, during any fiscal year, the aggregate of the payments to which this paragraph applies exceed that percentage of the total entitlements established under such paragraph (2)(A) which equals the percentage of the total entitlements established under subpart 1 which are satisfied by appropriations for such purpose for that fiscal year.

"VETERANS' COST-OF-INSTRUCTION PAYMENTS TO INSTITUTIONS OF HIGHER EDUCATION

"SEC. 420. (a)(1) During the period beginning July 1, 1972 and ending June 30, 1975, each institution of higher education shall be entitled to a payment under, and in accordance with, this section during any fiscal year, if the number of persons who are veterans receiving vocational rehabilitation under chapter 31 of title 38, United States Code, or veterans receiving educational assistance under chapter 34 of such title, and who are in attendance as undergraduate students at such institution during any academic year, equals at least 110 per centum of the number of such recipients who were in attendance at such institution during the preceding academic year.

"(2) During the period specified in paragraph (1), each institution which has qualified for a payment under this section for any year shall be entitled during the succeeding year, notwithstanding paragraph (1), to a payment under and in accordance with this section, if the number of persons referred to in such paragraph (1) equals at least the number of such persons who were in attendance at such institution during the preceding academic year. Each institution which is entitled to a payment for

any fiscal year by reason of the preceding sentence shall be deemed, for the purposes of any such year succeeding the year for which it is so entitled, to have been entitled to a payment under paragraph (1) during the preceding fiscal year.

"(b)(1) The amount of the payment to which any institution shall be entitled under this section for any fiscal year shall be—

"(A) $300 for each person who is a veteran receiving vocational rehabilitation under chapter 31 of title 38, United States Code, or a veteran receiving educational assistance under chapter 34 of such title 38, and who is in attendance at such institution as an undergraduate student during such year; and

"(B) in addition, $150, except in the case of persons on behalf of whom the institution has received a payment in excess of $150 under section 419, for each person who has been the recipient of educational assistance under subchapter V or subchapter VI of chapter 34 of such title 38, and who is in attendance at such institution as an undergraduate student during such year.

"(2) In any case where a person on behalf of whom a payment is made under this section attends an institution on less than a full-time basis, the amount of the payment on behalf of that person shall be reduced in proportion to the degree to which that person is not attending on a full-time basis.

"(c)(1) An institution of higher education shall be eligible to receive the payment to which it is entitled under this section only if it makes application therefor to the Commissioner. An application under this section shall be submitted at such time or times, in such manner, in such form, and containing such information as the Commissioner determines necessary to carry out his functions under this title, and shall—

"(A) meet the requirements set forth in clauses (A) and (B) of section 419 (c) (1);

"(B) set forth such plans, policies, assurances, and procedures as will insure that the applicant will make an adequate effort—

"(i) to maintain a full-time office of veterans' affairs which has responsibility for veterans' outreach, recruitment, and special education programs, including the provision of educational, vocational, and personal counseling for veterans,

"(ii) to carry out programs designed to prepare educationally disadvantaged veterans for postsecondary education (I) under subchapter V of chapter 34 of title 38, United States Code, and (II) in the case of any institution located near a military installation, under subchapter VI of such chapter 34,

"(iii) to carry out active outreach, recruiting, and counseling activities through the use of funds available under federally assisted work-study programs, and

"(iv) to carry out an active tutorial assistance program (including dissemination of information regarding such program) in order to make maximum use of the benefits available under section 1692 of such title 38,

except that an institution with less than 2,500 students in attendance (I) which the Commissioner determines, in accordance with regulations jointly prescribed by the Commissioner and the Administrator of Veterans' Affairs (hereinafter referred to as the 'Administrator'), cannot feasibly itself

carry out any or all of the programs set forth in subclauses (i) through (iv) of this clause, may carry out such program or programs through a consortium agreement with one or more other institutions of higher education, and (II) shall be required to carry out such programs only to the extent that the Commissioner determines, in accordance with regulations jointly prescribed by the Commissioner and the Administrator, is appropriate in terms of the number of veterans in attendance at such institution. The adequacy of efforts to meet the requirements of clause (B) in the preceding sentence shall be determined by the Commissioner, based upon the recommendation of the Administrator, in accordance with criteria established in regulations jointly prescribed by the Commissioner and the Administrator.

"(2) The Commissioner shall not approve an application under this subsection unless he determines that the applicant will implement the requirements of clause (B) of paragraph (1) within the first academic year during which it receives a payment under this section.

"(d) The Commissioner shall pay to each institution of higher education which has had an application approved under subsection (c) the amount to which it is entitled under this section. Payments under this subsection shall be made in not less than three installments during each academic year and shall be based on the actual number of persons on behalf of whom such payments are made in attendance at the institution at the time of the payment.

"(e) No less than 50 per centum of the amount of payments received by any institution under subsection (d) of this section in each academic year shall be applied by such institution to implement the requirement of subclause (i) of clause (B) of paragraph (1) of subsection (c) of this section, and, to the extent that such 50 per centum amount is not exhausted, the requirements of subclauses (ii), (iii), and (iv) of such clause, except that the Commissioner may, in accordance with criteria established in regulations jointly prescribed by the Commissioner with the Administrator, waive the requirement of this subsection to the extent that he finds that such institution is adequately carrying out all such requirements without the necessity for such application of such amount of the payments received under this subsection.".

(b) Title IX of the Higher Education Act of 1965 is amended by adding at the end thereof the following new part:

"Part F—General Assistance to Graduate Schools

"General Assistance Grants

"SEC. 981. (a) Each institution of higher education shall, during the period beginning July 1, 1972 and ending June 30, 1975, be entitled to a general assistance grant (hereinafter in this section referred to as 'grant') in accordance with the provisions of this section.

"(b) The amount of a grant to which an institution shall be entitled for any fiscal year shall be $200 multiplied by the number of students in full-time enrollment (including the full-time equivalent of the part-time enrollment for credit) at such institution who are pursuing a program of post-baccalaureate study.

"(c) In order to be eligible for the grant to which it is entitled, an institution shall make application therefor to the Commissioner. Such application shall be submitted at such time or times and in such manner as the Commissioner shall prescribe by regulation. Such application shall be approved if the Commissioner determines that it—

"(1) describes general educational goals and specific objectives of the graduate programs of the institution, and the amount of institutional income needed to meet such goals and objectives;

"(2) provides satisfactory assurance that—

"(A) the proceeds of the grant will be used for programs of the applicant consistent with such goals and objectives,

"(B) current operating support from non-Federal sources for educationally related graduate programs of the applicant has not been reduced in anticipation of funds to be received under this section, and

"(C) the applicant will make such reports as the Commissioner may require including a summary report describing how the grant was expended and an evaluation of its effectiveness in achieving such goals and objectives; and

"(3) contains such provisions as the Commissioner may require by regulation in order to protect the financial interests of the United States.

The Commissioner may waive the requirement set forth in clause (2)(B) in the preceding sentence for any fiscal year if he determines, in accordance with criteria prescribed by regulation, that such waiver would promote the purposes of this section.

"(d)(1) The Commissioner shall pay to each applicant the amount for which it is eligible under this section.

"(2) If, during any period, the funds available for making payments pursuant to paragraph (1) are insufficient to satisfy fully the amounts for which all institutions are eligible under this section, the amounts for which all applicants are eligible shall be ratably reduced.

"(e) None of the proceeds from a grant may be used to support a school or department of divinity or for religious worship or sectarian instruction.

"(f) The Commissioner shall report to Congress not later than 120 days after the end of each fiscal year regarding the effectiveness of assistance under this section in achieving the goals and objectives of institutions of higher education and in encouraging diversity and autonomy among such institutions of higher education. The Commissioner, in such report, shall include such recommendations as may be appropriate regarding the continuation, modification, or extension of assistance under this section.".

(c)(1) Section 401(a) of the Higher Education Act of 1965 is amended (A) by striking out the word "and" at the end of paragraph (3) of such section; (B) by striking out the period at the end of paragraph (4) and inserting in lieu thereof a semicolon and the word "and"; and (C) by adding at the end thereof the following new paragraph:

"(5) providing assistance to institutions of higher education.".

(2) Section 401(b) of such Act is amended by striking out "and 4" and inserting in lieu thereof "4 and 5".

(3) Section 491(b)(1) of such Act is amended by inserting after "For the purposes of this title," the following "except subpart 5 of part A,".

(d) The total of the payments made under subpart 5 of part A of title IV, of the Higher Education Act of 1965 (except section 420) and under

part F of title IX of such Act may not exceed $1,000,000,000 during any fiscal year.

And the Senate agree to the same.

CLAIBORNE PELL,
JENNINGS RANDOLPH,
HARRISON WILLIAMS,
THOMAS F. EAGLETON,
ALAN CRANSTON,
PETER H. DOMINICK,
RICHARD S. SCHWEIKER,
J. GLENN BEALL, Jr.,
ROBERT T. STAFFORD,
Managers on the Part of the Senate.

CARL D. PERKINS,
FRANK THOMPSON, Jr.,
JOHN H. DENT,
ROMAN PUCINSKI,
JOHN BRADEMAS,
LLOYD MEEDS,
JOSEPH M. GAYDOS,
ROMANO L. MAZZOLI,
ALBERT H. QUIE,
ALPHONZO BELL,
OGDEN REID,
JOHN N. ERLENBORN,
JOHN DELLENBACK,
MARVIN L. ESCH,
SAM STEIGER,
ORVAL HANSEN,
Managers on the Part of the House.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the amendment of the House to the bill (S. 659) to amend the Higher Education Act of 1965, the Vocational Education Act of 1963, the General Education Provisions Act (creating a National Foundation for Post-secondary Education and a National Institute of Education), the Elementary and Secondary Education Act of 1965, Public Law 874, Eighty-first Congress, and related acts, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment was a substitute for the House amendment to the text of the Senate bill which struck all after the enacting clause and inserted a new text. The conference report recommends a substitute text for both the Senate amendment and the House amendment. Except for minor, technical, and clarifying differences, this statement describes the actions of the conferees in resolving differences in the two amendments.

Short title.—The Senate amendment provided that the Act may be cited as the "Education Amendments of 1972". The House amendment provided that it may be cited as the "Higher Education Act of 1971." The conference report provides that the Act may be cited as the "Education Amendments of 1972".

General provisions.—The Senate amendment contained general provisions controlling the amendments and other provisions of the Act as follows: definitions, the redesignation of cross references, and effective date provisions. There are no comparable House provisions. The House recedes with an amendment clarifying the effective date of amendments contained in the House amendment.

It is the intention of the conferees that in extending expiring provisions of existing law there is no intention to affect the authority of the contingent extension provisions in the General Education Provisions Act.

HIGHER EDUCATION

Community Service and Continuing Education Programs

Authorization of appropriations.—The Senate amendment authorized appropriations for title I of the Higher Education Act of 1965 for fiscal years 1972 through 1975; the House amendment authorized appropriations for fiscal years 1972 through 1976. The authorization levels are as follows:

	Senate	House
Fiscal year:		
1972	$60,000,000	Such sums.
1973	60,000,000	Do.
1974	60,000,000	Do.
1975	60,000,000	Do.
1976		Do.

The conference agreement authorizes the appropriation of $10,000,000 for the fiscal year 1972, $30,000,000 for the fiscal year 1973, $40,000,000 for the fiscal year 1974, and $50,000,000 for the fiscal year 1975.

Special programs and projects relating to national and regional problems.—The Senate amendment amended title I to authorize the Commissioner, beginning in fiscal year 1973, to reserve up to 10 per centum of the appropriation for grants and contracts for paying up to 90 per centum of the cost of carrying out special programs and projects which are designed to seek solutions to national and regional problems relating to urbanization, technological and social changes, and environmental pollution. The amount reserved for the purposes of such grants and contracts could not result in the decrease of any State's allotment below the fiscal year 1972 level. The House amendment contained no comparable provision. The conference report adopts the provision of the Senate amendment, except that it does not refer to national and regional problems relating to urbanization.

Metropolitan area programs.—The Senate amendment amended title I to authorize the Commissioner to make grants to institutions (and combinations thereof) which are located within, or adjacent to, Standard Metropolitan Statistical Areas to assist them in planning, developing, and carrying out comprehensive programs designed to apply their resources to the problems of urban communities within Standard Metropolitan Statistical Areas. The Senate amendment authorized $5,000,000 to be appropriated for each of fiscal years 1973, 1974, and 1975. The term "Standard Metropolitan Statistical Area" is defined as "the area in and around a city of fifty thousand inhabitants or more as defined by the Director of the Office of Management and Budget". The House amendment contained no comparable provision. The Senate recedes.

Evaluation.—The Senate amendment required the Commissioner to review the operation of title I and to report his findings to the Committee on Labor and Public Welfare and the Committee on Education and Labor. The review was to evaluate specific programs and projects funded under title I prior to July 1, 1973, with a view toward ascertaining which of them show the greatest promise and the greatest return for the resources devoted to them. The Commissioner was to make reports on such evaluations by March 31, 1973, and March 31, 1975. Such reports shall include "(1) an evaluation of the program authorized by title I of the Higher Education Act of 1965 and of specific programs and projects assisted through payments under such title, (2) a description and an analysis of programs and projects which are determined to be most successful, and (3) recommendations with respect to the means by which the most successful programs and projects can be expanded and replicated". Funds appropriated for the purposes of section 402 of the General Education Provisions Act shall be available to pay the cost of the review of title I. The House amendment contained no comparable provision. The conference report adopts the Senate amendment, except that the duty of reviewing and reporting is given to the National Advisory Council on Extention and Continuing Education.

College Library Programs

Authorization of appropriations for parts A and B.—The House amendment continued the approach in existing law of having separate authorizatons for parts A (college library resources) and B (research and training) of title II of the Higher Education Act of 1965 whereas the Senate amendment, beginning in fiscal year 1973 combines the authorizations, earmarking 70 per centum of the appropriation for part A and 30 per centum for part B. The amounts authorized to be appropriated in the respective versions are as follows:

Fiscal year:	Senate		House
1972	Pt.A.	$90, 000, 000	"Such sums", plus $5,000,000 for research.
	Pt.B.	38, 000, 000	
1973		130, 000, 000	"Such sums", plus $10,000,000 for research.
1974		130, 000, 000	"Such sums", plus $20,000,000 for research.
1975		130, 000, 000	"Such sums", plus $35,000,000 for research.
1976			"Such sums", plus $40,000,000 for research.

The conference report adopts the provision of the Senate amendment in combining authorizations and earmarking appropriations for parts A and B. The amounts authorized to be appropriated under the conference substitute are $30,000,000 for the fiscal year 1972, $75,000,000 for the fiscal year 1973, $85,000,000 for the fiscal year 1974, and $100,000,000 for the fiscal year 1975. For the fiscal year 1972, $18,000,000 are authorized for part A and $12,000,000 for part B.

Program authorization.—The Senate amendment altered the manner in which parts A and B of title II are authorized beginning in fiscal year 1973. In addition to the combined authorization discussed above, the Senate amendment changed existing law in the following respects:

(a) It mandated the Commissioner to carry out the library resource training and research program, whereas under existing law the Commissioner is authorized to carry out such programs.

(b) Law library resources were specifically listed as among the library resources eligible for support under part A, and law librarianship was specifically mentioned as among the types of research and training programs in librarianship eligible under part B. There were no comparable House provisions. The House recedes on these provisions.

Allocation of authorization.—Under existing law, which the House amendment did not change, appropriations for part A are divided as follows:

(a) From 75 per centum of the appropriation, grants of up to $5,000 are made to institutions of higher education as basic grants under section 202 and grants of up to $10 per student are made as supplemental grants under section 203.

(b) From 25 per centum of the appropriation, 60 per centum thereof is available for special purpose grants under section 204, and the remainder is to be used for supplemental grants under section 203.

Under the Senate amendment, the amount available for part A must be used as follows:

(a) first, all *basic* grants of up to $5,000 must be satisfied;

(b) then, any remainder (except for the amount reserved for special purpose grants) is to be used for *supplemental* grants; and

(c) up to 25 per centum may be reserved for special purpose grants.

The House recedes on these matters.

Eligible participants for basic grants.—The House amendment expanded eligibility for participation in the basic grant program to include "other public and private nonprofit library institutions whose primary function is to provide library and information services to institutions of higher education on a formal, cooperative basis". There was no comparable Senate provision. The Senate recedes.

Eligible participants for special purpose grants.—The House amendment expanded eligibility for participation in the special purpose grant program to include "other public and private nonprofit library institutions whose primary function is to provide library and information services to institutions of higher education on a formal, cooperative basis". There was no comparable Senate provision. The Senate recedes.

Allocation of library training and research moneys.—Under the Senate amendment, of the amount made available under the one authorization for library training and research, 66⅔ per centum shall be available for training and 33⅓ per centum shall be available for research. The House amendment provided a separate authorization for training and a separate authorization for research. The House recedes.

Allocation of library training funds.—The House amendment required that no less than 50 per centum of the grants made for training and librarianship be utilized for the purpose of establishing and maintaining fellowships or traineeships. There was no comparable Senate provision. The Senate recedes.

Eligible participants in part B.—The House amendment expanded eligibility for participation in the library training programs to include "other library and educational organizations or agencies". There were no comparable Senate provisions. The conference agreement contains the House provision with an amendment which limits the expansion of eligibility only to library organizations or agencies. It is the understanding of the conferees that this expansion of authority should only be used to allow participation of institutions having particular experience and resources to provide such services to institutions of higher education.

Maintenance of effort requirement.—(a) Both amendments authorized the Commissioner to waive the maintenance of effort requirement for the basic grant program in special and unusual circumstances. The Senate amendment, but not the House amendment, required the Commissioner to make his determination "in accordance with regulations". The Senate amendment, but not the House amendment, deleted existing language using fiscal year 1965 as an optional base period for determining effort. The House recedes on both of these points.

(b) The Senate amendment further revised the basic grant authority so as to provide institutions with a basic grant entitlement equal to the amount expended for library resources or $5,000 whichever is the lesser. The House recedes.

Maximum amount of supplemental grants.—The House amendment increased the maximum amount of supplemental grants from the existing maximum of $10 to a maximum of $20 beginning in fiscal year 1973. The Senate amendment increased the maximum to $15 for fiscal year 1973 and fiscal year 1974 and then to $20 for fiscal year 1975. The Senate recedes.

Authorization for part C—Library of Congress acquisition and cataloging.—The respective versions authorized appropriations as follows:

	Senate	House
Fiscal year:		
1972	$15,000,000	$9,000,000
1973	15,000,000	9,000,000
1974	15,000,000	9,000,000
1975		9,000,000
1976		9,000,000

The appropriations authorized in the conference substitute are $9,000,000 for fiscal year 1972, $12,000,000 for fiscal year 1973, $15,000,000 for fiscal year 1974 and $9,000,000 for fiscal year 1975.

Program administration.—Under existing law, funds are appropriated to the Commissioner of Education to enable him to transfer such funds to the Library of Congress for the acquisition and cataloging program. The Senate amendment eliminated the transfer authority, with the result that funds would be appropriated directly to the Librarian of Congress for carrying out the purposes of part C. There was no comparable House provision. The Senate recedes.

Evaluation and report.—Both amendments amended part C of title II by adding a new section which required the submission of an evaluation report on part C. The two sections differed in that—

(a) the Senate amendment required the report to be submitted to the "Committees on Education and Labor and on House Administration" of the House and Committees on Labor and Public Welfare and on Rules and Administration of the Senate, while

(b) the House amendment required that the report be submitted to "the respective committees of the Congress having legislative jurisdiction over" part C. The Senate recedes.

Developing Institutions

Authorization of appropriations.—The Senate amendment authorizes appropriations for title III of the Higher Education Act of 1965 for fiscal years 1972 through 1975; the House amendment authorized appropriations for fiscal years 1972 through 1976. The authorization levels are as follows:

	Senate	House
Fiscal year:		
1972	$91,000,000	$120,000,000
1973	100,000,000	120,000,000
1974	100,000,000	120,000,000
1975	100,000,000	120,000,000
1976		120,000,000

The conference substitute authorizes appropriations for fiscal years 1972 through 1975. The authorization levels are $91,000,000 for fiscal year 1972 and $120,000,000 for each of the three succeeding fiscal years.

Program authorizations.—The Senate amendment rewrote the statement of purpose and authorization for title III making the following changes:

(a) A mandate that the Commissioner carry out the program of strengthening developing institutions;

(b) Elimination from the description of a developing institution of the following language—"for financial and other reasons";

(c) Addition to such description of the following language—"which enroll a significant proportion of students who have been educationally deprived or who have limited English-speaking ability". There was no comparable House provision.

The House recedes on items (a) and (b), while the Senate recedes on item (c).

Allocation of funds.—Under existing law, 23 per centum of title III funds are earmarked for junior colleges. The Senate amendment, but not the House amendment, increased the support to 24 per centum. The House recedes, with a technical amendment making changes in the Senate language.

Earmarking funds.—The Senate amendment required not less than 50 per centum of title III funds to be used for institutions which enroll a significant proportion of students who have had inadequate secondary school preparation or have come from educationally, culturally, or economically deprived backgrounds. There is no comparable House provision. The Senate recedes.

Requirements for developing institutions status.—(a) Existing law requires a developing institution to meet such other requirements as the Commissioner may prescribe by regulation. Under the Senate amendment, this requirement is modified so as to require the Committee to seek the advice of the title III Advisory Council before prescribing such regulations. The Senate recedes. (b) Under the Senate amendment, such requirements which the Commissioner prescribed by regulations must include at least a determination of whether the institution—

(1) is making a reasonable effort to improve its quality;

(2) is struggling for survival and is isolated; and

(3) enrolls a significant portion of students who may have had inadequate secondary school preparation or who come from educationally, culturally or economically deprived backgrounds.

The latter consideration does not appear in existing law and was not included in the House amendment. The first two considerations are statutory requirements in the definition of "developing institutions" under existing law rather than requirements to be prescribed by the Commissioner by regulation. Conference report contains the Senate revision on technical points, but does not contain the new substantive requirement referred to in clause (3) above.

Waiver of five-year existence requirement for eligibility.—Under present law, which the House amendment continued unchanged, in order to be eligible for assistance under title III, an institution must have been in existence for five years prior to its application for assistance. (a) The Senate amendment continued this 5-year requirement, adding, however, the requirement that the institution be either accredited or seeking accreditation for that five years. (b) The Senate amendment authorized a waiver of these requirements for (1) junior and community colleges or (2) such institutions located in Alaska, California, or Oklahoma or on, or in proximity to, an Indian reserva-

tion if the Commissioner determines that such action will increase the availability of higher education to Indians. Grants pursuant to such applications may not involve an expenditure of funds in excess of 10 per centum of the amount earmarked for junior and community colleges. The conference substitute contains the Senate provision in (a). On the matter described in (b), the conference substitutes for the provision in the Senate amendment a provision authorizing waivers for applications by institutions located on or near Indian reservations or near substantial populations of Indians where the Commissioner determines such action will increase higher education for Indians, but the grants with respect to which waivers are made may not involve an expenditure of funds in excess of 1.4 per centum of the sums appropriated for any fiscal year for the purposes of this title.

Approval of application.—The Senate amendment required the Commissioner to obtain the advice of the Advisory Council on Developing Institutions when approving applications for title III funds. There was no comparable House provision. The Senate recedes.

Establishing list of developing institutions.—The Senate amendment required the Commissioner, with the assistance of the Council, not later than thirty days after the fiscal year ending June 30, 1972, to establish a list of developing institutions which are eligible for assistance under title III. Such list must be established on the basis of applications, and such list must be published in the Federal Register each year. There were no comparable House provisions. The Senate recedes.

The definition of "junior and community colleges" that appears in title X of this Act defines such institutions as including branches thereof located in communities different from the parent institution. It is the intention of the conferees that this definition should be applied consistently with respect to junior and community colleges.

Advisory council.—Existing law, which the House amendment continued without change, established in the Office of Education an advisory council consisting of one representative each of any Federal agency which the Commissioner designates as having responsibilities with respect to developing institutions, and eight additional members appointed by the Commissioner with the approval of the Secretary. Under the Senate amendment, the Council would consist of nine members appointed by the Commissioner with the approval of the Secretary. The House recedes.

National Teaching Fellowships.—Under existing law, which the House amendment continued unchanged, the language authorizing National Teaching Fellowship program is a separate program in title III. Under the Senate amendment, National Teaching Fellowships language is included in the same section authorizing activities eligible for support under title III under the heading "Uses of Funds." Existing law establishes a $6,500 ceiling on the stipend and a $400 ceiling on the allowance per dependent paid fellows; under the Senate amendment, there is no statutory dollar limitation. The conferees have agreed to establish a stipend ceiling of $7,500, plus $400 per dependent, but in other respects the conference agreement is the same as the Senate amendment.

Professors emeritus program.—Under existing law and the House amendment the professors emeritus program is a separate program in title III. Under the Senate amendment, the professors emeritus

language is included among activities eligible for support under title III under the heading "Uses of Funds.". The professors emeritus program authorization contained in the Senate amendment differs from existing law in the additional following respects: (a) Under existing law the Commissioner is statutorily directed to undertake a program of dissemination of information concerning the professors emeritus program; this specific requirement is eliminated in the Senate amendment. (b) Under existing law, professors emeritus grants may be awarded for such period of teaching or research as the Commissioner may determine, while in the Senate amendment, a professors emeritus grant is limited to a two-year period, except that the grant may be extended "as the Commissioner upon the advice of the Council, may determine in accordance with policies of the Commissioner set forth in regulations". (c) Existing law authorizes grants to professors emeritus in such amounts as may be determined by the Commissioner upon the advice of the Council; under the Senate amendment, stipends and allowances for dependents are authorized as determined by the Commissioner, upon the advice of the Council. The House recedes.

Participation of developing institutions in other programs.—Under the Senate amendment, in connection with titles II, IV, VI, and VII of the Higher Education Act of 1965, developing institutions would be eligible for (1) a waiver of any non-Federal share requirement (the total amounts expended under grants for which the waiver is granted may not exceed 10 per centum of the appropriations for the program involved) and (2) to the extent consistent with law, priority consideration for their applications when they are considered in competition with applications from nondeveloping institutions. The House recedes on the first point (with a technical language change). The Senate recedes on point (2).

Emergency Assistance for Institutions of Higher Education

(a) The Senate amendment authorized $150,000,000 for the period from the date of enactment through fiscal year 1974 for a new interim emergency assistance to institutions of higher education in serious financial distress and in need of additional assistance either (1) to continue operation of the institution or (2) to prevent substantial curtailment of academic programs to the detriment of the quality of education available to students. There was no comparable House provision.

(b) The Senate amendment further authorizes grants for planning and management capability improvement to institutions receiving emergency assistance and to other institutions for demonstration grants having national significance for improving the planning and management capabilities of institutions of higher learning. Grants for this purpose could not exceed the full-time equivalent enrollment multiplied by $5, or $15,000, whichever is greater. There was no comparable House provision.

(c) The Senate amendment directed the Commissioner of Education to conduct a study of the financial conditions of institutions of higher education in order to assess the dimensions of and extent of the financial crisis confronting those institutions. The study is to include an analysis of the various proposals presented to the Congress relating to institutional assistance; the costs, advantages and disadvantages, and the extent to which each proposal would preserve the diversity and

independence of institutions; and the extent to which each proposal would advance the national goal of making higher education accessible to all individuals having the desire and ability to continue their education. Not later than July 1, 1973, the Commissioner would be required to prescribe uniform accounting standards for determining average per-student costs. Any institution of higher education which desired to receive funds authorized under the Higher Education Act of 1965 would be required to present cost data to the Commissioner in this form before he could make any award. The Commissioner is to report the results of the study to the President and the Congress not later than December 31, 1972. The Senate bill authorized such sums as may be necessary for the period from the date of enactment until June 30, 1974 for this purpose. There was no comparable House provision.

The conference agreement authorizes the program of emergency assistance that was contained in the Senate bill with the following limitations:

(1) The authorization is reduced to $40 million
(2) The authority to make grants for planning and management
(3) Capability is eliminated and,
(4) The study referred to in subsection (c) above is consolidated with similar study provisions discussed later in this statement.

Student Assistance

In General.—The Senate amendment but not the House amendment consolidated in a single title of the Higher Education Act of 1965 a number of programs providing assistance to students at institutions of higher education. The Senate amendment established two separate programs of student assistance grants; the House amendment on its part extended and revised the existing program. The conference substitute adopts the general pattern of the Senate amendment.

Basic Educational Opportunity Grants

The Senate amendment established a new program under which students at colleges and universities were entitled to basic grants to assist them to pursue their education. The amount of the basic grant was $1,400 less the amount the student or the family of the student could reasonably be expected to contribute toward his education, the "family contribution." The amount of the grant could not exceed one half the actual cost of attendance at the institution the student is attending. This program is viewed as the foundation upon which all other Federal student assistance programs are based.

The conference substitute adopts the substance of the Senate amendment but with the following significant changes:

(1) The conference substitute places limitations on the amount of the basic grant by providing that such grant may not exceed the difference between the student's expected family contribution and the actual cost of attendance at the institution and by providing that in the event appropriations are not sufficient to meet the full entitlement for basic grants then such grant could not exceed one-half of the student's actual need, unless the appropriation amounts to 75 percent or more of full entitlement, in which case such grant could not exceed 60 percent of the student's actual need.

(2) The conference agreement limits the Senate amendment by providing that Social Security benefits and one-half of veterans' benefits will be considered as effective income for the student.

(3) The conference substitute contains a limitation which controls under circumstances in which appropriations are insufficient to pay all entitlements under the program. Under these provisions where appropriations are insufficient each entitlement which exceeds $1,000 will be paid at the 75 percent rate, each entitlement which exceeds $800 but does not exceed $1,000 shall be paid at a 70 percent rate, each entitlement which exceeds $600 but does not exceed $800 shall be paid at a 65 percent rate, and each entitlement which does not exceed $600 will be paid at a 50 percent rate. Where the amounts appropriated are insufficient to pay even at these reduced rates, provision is made for payments on a pro rata reduced basis.

(4) The Senate amendment provided that no basic grant would be made where the entitlement was less than $200. The conference substitute imposes a $50 limitation whenever the program is less than fully funded.

(5) The conference substitute contains provisions which limit basic educational opportunity grants in relation to other student assistance programs. Under these provisions none of these new basic educational opportunity grants will be awarded for any fiscal year in which the appropriation for supplemental educational opportunity grants is less than $130,093,000, the appropriations for work-study programs is less than $237,400,000, or the appropriations for institutional student loan programs is less than $286,000,000.

Supplemental Educational Opportunity Grants

The Senate amendment and the House amendment each provided for programs for making educational opportunity grants which were closely related to the present provisions of law governing such grants. The significant differences are discussed below.

Educational Opportunity Grants authorization of appropriations.—Existing law separately authorizes $170,000,000 for initial-year grants, and such sums as may be necessary for continuations for fiscal year 1971. The conference report retains, in section 131, certain technical amendments relating to extension of existing educational opportunity grant programs. These provisions have only technical applications. The authorizations for Supplemental Educational Opportunity Grants in the Senate bill and for Educational Opportunity Grants as in the House amendment are as follows:

	Senate	House
Fiscal year:		
1972	$170,000,000 for initial year plus such sums.	$295, 000, 000.
1973	200,000,000 for initial year plus such sums.	Such sums.
1974	do	Do.
1975	do	Do.
1976		Do.

The conference substitute authorizes the appropriation of $170,000,000 for fiscal year 1972, $200,000,000 for fiscal year 1973, and each of the two succeeding fiscal years, for carrying out this program.

In addition, the conference substitute, as would the Senate amendment, authorizes the appropriation of such sums as may be necessary for educational opportunity grants for years other than the initial year of the award of such grant.

Amount of grants.—Existing law limits the maximum grant to the lesser of $1,000 or one-half the amount of student aid provided the student by the institution of higher education and any State or private scholarship program. The Senate amendment continued this ceiling for supplemental grants, raising it to $1,200 in the case of a student who, during the preceding academic year, is determined to have ranked in the upper half of his class at an institution of higher education. The House amendment raised the ceiling to $1,500 but provided that no student shall be paid more than $4,000 in Educational Opportunity Grants funds during his undergraduate education ($5,000 in the case of a student pursuing a course of study where five academic years is the normal period needed to complete the course, in accordance with regulations of the Commissioner). The conference substitute contains the ceilings provided in the House amendment.

Determination of need.—The Senate amendment for supplemental grants provides for determinations of need for assistance to be made by the institution of higher education; the House amendment added that such determinations are to be made in accordance with regulations of the Commissioner. The Senate amendment authorized the Commissioner to prescribe, for the guidance of institutions, basic criteria and schedules for the determination of need. The House amendment provided such authority "subject to the other limitations of this part" and expressly states that "such criteria or schedules shall not disqualify an applicant on account of his earned income if income from other sources in the amount of such earned income would not disqualify him". There is no comparable Senate provision. The Senate recedes.

Minimum grant.—The Senate amendment provided that, if the amount determined with respect to the need of a student is less than $200, no payment shall be made. The House recedes.

Amendments affecting duration of grants.—Existing law, which the Senate amendment continued unchanged for supplemental grants, provided that the duration of the grant shall be the period required for the completion of the undergraduate course of study being pursued by the student. The House amendment provided that a student may be awarded a grant for each academic year of the period required for completion of his undergraduate course. The Senate recedes.

Period of eligibility.—Existing law limits an Educational Opportunity Grant to four academic years. The Senate amendment for Supplemental Educational Opportunity Grants provided that in the case of the student pursuing a course of study leading to a first degree in a program of study designed by the institution to extend over five academic years, or a student unable to complete a course of study in four academic years because of an institutional requirement that he enroll in a noncredit remedial course of study, the period may be extended for not more than one additional academic year. The House amendment provided that a student's eligibility may, in accordance with regulations of the Commissioner, be extended for up to an additional academic year where five academic years is the normal period needed to complete the course of study or where the student, because

of his particular circumstances, is determined by the institution to need an additional year to complete a course normally requiring four years. The Senate recedes.

Determination of financial need.—Existing law which the Senate amendment continued unchanged for Supplemental Educational Opportunity Grants, provides that in determining financial need, the institution will consider the source of the student's income and that of any individual upon whom the student relies primarily for support. The House amendment provided that expected family contributions shall be considered to be the contribution expected in the specific circumstances of the applicant, as determined by the student financial aid officer. Any calculation of the ability of a family to contribute shall include consideration of family assets, value of any social welfare services provided to the family by public or private agencies, number of children in the family, number of children attending institutions of higher education, any catastrophic illnesses in the family, business failures, educational expenses of other dependent children in the family, and other circumstances affecting the student's financial need. The conference substitute contains the substance of the House provision with the following exceptions: 1) limits family assets to those reasonably available for education purposes, 2) requires the Commissioner to establish rules and regulations defining educational expenses, and 3) deletes references to business failures and the value of social services.

Agreements with institutions—Use of funds.—Existing law which the Senate amendment continued unchanged authorized the use of funds for administrative expenses. The House amendment does not. The House recedes.

Agreements with institutions—Determination of eligibility.—Existing law, which the Senate amendment continued unchanged for Supplemental Educational Opportunity Grants provides that an institution must agree to consider a student's source of income and that of any individual upon whom he relies primarily for support and make appropriate review of the assets of the student and of such individuals. The House amendment provided for the consideration of the student's income (a) "including as a part thereof any expected contribution from parents or others upon whom the student may rely for support," (b) "except that there shall be deemed to be no expected contributions from the parents of a veteran". The House recedes.

Agreements with institutions—Encouraging talented high school students.—Existing law, which the Senate amendment continued unchanged for supplemental grants, provides for conditional commitments of grants for qualified secondary students enrolled in grade 11 or lower grades who show evidences of academic or creative promise. The House amendment provided for such commitments to students "who but for such grants would be unable to obtain the benefits of higher education, with special emphasis" on promising students in grade 11 or lower. The Senate recedes.

Agreements with institutions—Maintenance of effort.—Existing law, which the Senate amendment continued for supplemental grants cross-references the maintenance of effort requirement to section 464. The House amendment repeated the language of that section as an institutional assurance. The House recedes.

Agreements with institutions—Miscellaneous provisions.—Existing law and the House amendment authorize the inclusion of such other

provisions as may be necessary to protect the financial interest of the United States "and promote the purposes of this part". The Senate amendment deleted the quoted language. The Senate recedes.

Apportionment among States.—The existing law, continued by the Senate amendment, apportioned grant funds among the States according to the relative numbers of students in the State. The House amendment adopted a uniform method of apportionment for this program and the work-study and student loan programs. Under that formula funds would be allocated one-third according to relative numbers of students, one-third according to relative numbers of high-school graduates in the State, and one-third according to relative numbers of children from low income families. Ten percent was reserved for discretionary allotment by the Commissioner. The conference substitute adopts the Senate provisions with a change making 10 percent of the funds available to the Commissioner for discretionary allotment as provided by the House. Saving provisions are included to insure that no State's allotment is reduced below its 1972 level.

Reapportionment of funds among States.—Existing law and the House amendment provide that if the sums determined to be necessary for any State are less than the State's allotment, the Commissioner may reallot the remainder. The Senate amendment for supplemental grants provided that if the Commissioner determines that the sums apportioned to any State exceed the aggregate of the amounts he determines to be required, he shall reapportion such excess. The House recedes.

Apportionment of continuation grants.—Existing law and the Senate amendment for supplemental grants provide that the Commissioner shall apportion funds appropriated for continuation grants in such manner as he determines will best assist in achieving the purposes of the part. The House amendment did not distinguish between initial year and continuation grants. The House recedes.

Within-State allocations to institutions.—Existing law, which the Senate amendment continued for supplemental grants, provides that the Commissioner shall make allocations to institutions within the State according to equitable criteria and authorizes reapportionment of continuation grants. The House amendment deleted the word "equitable" and does not contain reapportionment authority for funds within State. The House recedes.

State Student Incentive Grant Programs

The Senate amendment, but not the House amendment, authorizes grants to States to assist them in providing student incentive grants to eligible students in attendance at institutions of higher education, with an authorization of $50,000,000 for each year from fiscal year 1973 through fiscal year 1975 for payments to States for initial year student incentive grants. In addition, there was authorized such sums as may be necessary for continuation grants to individuals who have already been awarded student incentive grants. Funds shall be allotted among the States on the basis of the relative number of students in attendance at institutions of higher education. From any State's allotment the Commissioner is authorized to pay 50 per centum of the amount of student incentive grants pursuant to a program administered by a single State agency with grants not to exceed $1,500 per academic year for attendance on a full-time basis, selection of

recipients on the basis of substantial need, and payment of the non-Federal portion of such grants from State funds which represent an additional expenditure for such year by such State over the amount expended by it for such grants during the second fiscal year preceding the fiscal year it initially receives funds under the program. The conference substitute adopts the substance of the Senate provision with variations to make it clear that the incentive feature of the program applies to the States rather than to the students. Revisions are made in the reallotment formula to reduce the discretion given the Commissioner. Also, provision is made to insure that there will be a continuing review of the eligiblity of students for assistance under this part.

Special Programs for Students From Disadvantaged Backgrounds

Both the Senate amendment and the House amendment consolidated the three existing programs for students from disadvantaged backgrounds. The two provisions differ in the following respects:

(a) *Authorization of Appropriations.*

	Senate	House
Fiscal year:		
1972	$96,000,000	Such sums.
1973	100,000,000	Do.
1974	100,000,000	Do.
1975	100,000,000	Do.
1976		Do.

The conference substitute adopts the Senate figures.

(b) *Authority to contract with profitmaking organizations.* The Senate amendment allowed the Commissioner to contract only with public and private nonprofit agencies and organizations. The House amendment allowed contracts with both profit and nonprofit private organizations. The Senate recedes.

(c) *Eligibility.* The House amendment continued existing law under which physically handicapped students are eligible for services. In the Senate amendment the word "physically" is deleted. The Senate recedes.

(d) *Continuation of separate programs.* The Senate amendment provided that there are to be programs entitled Upward Bound, Talent Search, and Special Services for Disadvantaged Students while the House amendment continued the activities provided for these programs in existing law, but did not prescribe that there shall be three separate programs. The House recedes.

(e) *Establishment of educational opportunity centers.* The Senate amendment authorized the Commissioner to pay up to 75 per centum of the cost of establishing and operating educational opportunity centers which would serve areas with major concentrations of low-income populations by providing information concerning academic and financial assistance available for postsecondary education, by assisting such persons in applying for admission at institutions, and by providing counseling, tutorial, and other necessary services to such persons while attending an institution. In addition, such centers would serve as recruiting and counseling pools to coordinate the recruiting re-

sources of postsecondary institutions in admitting educationally disadvantaged persons. The House amendment had no comparable provision. The House recedes, with the understanding that this provision should not be interpreted to reduce the admission standards of the institution.

(f) *Authorization of stipends.* The House amendment authorized the Commissioner to pay stipends of up to $30 per month to enrollees participating on an essentially full-time basis in one or more of the services authorized in the House amendment. The Senate bill had no comparable provision. The Senate recedes.

Appropriations for award of continuation grants to students receiving an Educational Opportunities Grants on the date of enactment.—The Senate amendment authorized such sums as may be necessary for each fiscal year through fiscal year 1975 in order to provide continuation grants to those students who were receiving Supplemental Educational Opportunity Grants under the existing Educational Opportunity Grants program. The House amendment had no comparable provision. The Senate receded.

Definition of institution of higher education.—Under existing law students in proprietary institutions are not eligible to participate in the Educational Opportunity Grants program. The Senate amendment amended section 461(b) of the Higher Education Act, with respect to the definition of "proprietary institution of higher education" by striking the section and inserting a new section which defines the term "institution of higher education" for the purposes of part A of the Senate amendment, except for subpart 5 (cost of instruction allowances), as including any (1) school of nursing and any (2) proprietary institution of higher education which has an agreement with the Commissioner containing such terms and conditions as the Commissioner determines to be necessary to insure that the availability of assistance to students at the school has not resulted, and will not result, in an increase in the tuition, fees, or other charges to such students. The effect of this change would be to allow students attending eligible proprietary institutions to participate in the basic and supplemental programs in the Senate amendment. The House amendment allows students attending proprietary institutions to receive Educational Opportunity Grants. The House recedes.

Definition of school or department of divinity.—The Senate amendment provided for a single definition of "school or department of divinity" as follows: as an institution or a department or a branch of an institution the program of instruction of which is designed for the education of students (a) to prepare them to become ministers of religion or to enter upon some other religious vocation (or to provide continuing training for any such vocation), or (b) to prepare them to teach theological subjects. This definition would be applicable to the entire Higher Education Act wherever the term occurs. The House amendment continued existing law under which similar definitions appear in separate programs. The House recedes.

Insured Student Loans

Extension of the insured loan program.—The Senate amendment extended the insured loan program through fiscal year 1975 whereas the House amendment extended the program through fiscal year 1976.

The total principal amount of new loans which may qualify for Federal loan insurance specified in the Senate bill and the House amendment were as follows:

	Senate	House
Fiscal year:		
1972	$1,400,000,000	$1,600,000,000
1973	1,400,000,000	1,800,000,000
1974	1,400,000,000	2,000,000,000
1975	1,400,000,000	2,200,000,000
1976		2,400,000,000

The conference agreement contains the following limitation on the amount of new loans which may qualify for Federal loan insurance:

$1.4 billion for fiscal year 1972
$1.6 billion for fiscal year 1973
$1.8 billion for fiscal year 1974
$2.0 billion for fiscal year 1975

Loan limitations.—Under present law, the total of the loans made to a student in any academic year which may be covered by Federal loan insurance or by that of a State or private nonprofit agency or institution may not exceed $1,500 per year. The aggregate unpaid principal amount on all insured loans which a student may have outstanding at any time is $7,500. The House amendment, but not the Senate bill, increased the aggregate limitation from $7,500 to $10,000. The House amendment further raised the annual limitation from $1,500 to $2,500. The House amendment further authorized the Commissioner to waive these maximums with respect to students in specialized training resulting in exceptionally high costs of education. The Senate amendment allowed the annual limitation of $1,500 to be exceeded when the financial aid officer determines, in accordance with general criteria of the Commissioner, that a student is in need of a larger amount. However, in no case could a loan exceed an annual limitation of $2,500. The Senate recedes with an amendment limiting the aggregate loan ceiling to $7,500.

Interest subsidy provisions.—The House amendment eliminated the $15,000 adjusted family income ceiling as a requirement for a subsidized loan and substituted in lieu thereof an institutional decision that the student has a need for the amount of such subsidized loan. The House amendment required the institution to provide the lender with a statement certifying that the student has evidenced need and stating the amount of the loan subsidized. There was no comparable Senate provision.

The conference substitute contains features drawn from both the Senate and House amendments. Under it a student would be eligible for an interest subsidy if his adjusted family income is less than $15,000. The student's school will furnish the lender with a statement concerning its determination of the amount of the student's need for the loan and a recommendation as to amount of the subsidized loan. In the case of students whose adjusted family income is over $15,000, the school may determine that he in in need of a loan to attend the institution. If it so determines, it shall provide the lender with a statement evidencing the school's determination of the amount of his need and a recommendation as to amount of the subsidized loan.

Insurance liability.—(A) Under existing law, insurance liability extends only to the unpaid portion of the insured loan. The House amendment, but not the Senate bill, provided that the insurance liability of the United States on insured loans includes liability to pay all aggregate interest. (B) The House amendment further pledged the full faith and credit of the United States to pay the amounts which may be required because of the default, death, or disability of the borrower. There are no comparable Senate provisions. The Senate recedes.

Eligibility of part-time students.—Under present law, in order to qualify for an insured loan, a student must be carrying at least one-half of the normal full-time workload as determined by the institution. The House amendment, but not the Senate amendment, would allow loans to be made to students studying on part-time basis. The House recedes.

Administrative allowance.—The House amendment, but not the Senate amendment, authorized the Commissioner to pay to each eligible institution an administrative allowance for the purpose of reimbursing institutions for their costs in determining eligibility of of students for interest subsidy payments. The allowance paid to an institution may not exceed 1 per centum of the amount of insured loans made to students at the institution during each fiscal year. The Senate recedes.

Terms of loans.—The House amendment required that State loan or private nonprofit loan programs include provisions for allowing deferment of principal repayment during periods of service by the borrower in the armed services, Peace Corps, or while a full-time student. Provisions of existing law which merely encourage the inclusion of such a moratorium in State and private nonprofit loan programs are deleted. There are no comparable Senate provisions. The Senate recedes.

Participation of credit unions.—The House amendment, but not the Senate amendment, eliminated the existing limitation that not more than 15 per centum of the assets of Federal credit unions be available for making insured loans. The Senate recedes.

Eligibility of institutions.—The Senate amendment authorized the Commissioner to prescribe regulations which may be necessary to provide for (a) fiscal audit of lending institutions with regard to any funds obtained from a student borrower; (b) the establishment of reasonable standards of financial responsibility and appropriate institutional capability for the administration of a student loan program; and (c) the limitation, suspension, or termination of the eligibility of the lender whenever the Commissioner has determined, after notice and opportunity for a hearing, that such institution has violated or failed to carry out any regulation prescribed under part B of title IV of the Higher Education Act. There was no comparable House provision for items (a) and (b) above. With respect to item (c), the House amendment authorized the Commissioner to suspend, limit, or terminate eligibility whenever he determines, after affording an opportunity for a hearing, that such termination is necessary in order to carry out the purposes of the student loan program. The House recedes on each of these points.

Eligibility of vocational education institutions.—The Senate amendment, but not the House amendment, required the Commissioner to

publish a list of State agencies which he determines to be reliable authority as to the quality of vocational education in the several States for the purpose of determining eligibility for all Federal student financial assistance and other matters of Federal assistance in higher education. The conference agreement requires that the Commissioner shall publish a list of State agencies which he determines to be reliable authorities as to the quality of public postsecondary vocational education in their States for the purpose of determining eligibility for all Federal student assistance programs.

Savings provision.—The House amendment, but not the Senate amendment, exempts from the effect of these amendments any loan made after enactment which is made for the purpose of consolidating loans made prior to enactment. The Senate recedes.

STUDENT LOAN MARKETING ASSOCIATION

Duration of the Association.—The House amendment provided that the Student Loan Marketing Association, established by this part, shall have succession until dissolved by Act of Congress, whereas under the Senate amendment, authority of the Association to deal in student loans and issue obligations shall terminate five years after the enactment of these amendments. Upon such termination, the Board of Directors shall proceed to take whatever steps are necessary to dissolve the Association. The Senate recedes with subsequent language which limits the authority of the Federal Government to guarantee obligations of the Student Loan Marketing Association to July 1, 1982.

Advances to the Association.—The Senate amendment authorized an appropriation of $5,000,000 to the Secretary of Health, Education, and Welfare for making advances to help establish the Association, while the House amendment authorized such sums as may be necessary. The House recedes.

Interest on advances to the Association.—The Senate amendment required that advances to the Association bear interest at not less than the rate determined by the Secretary of the Treasury plus an allowance adequate in the judgment of the Secretary of Health, Education, and Welfare to cover administrative costs and probable losses. The Senate amendment further provided that the payment of advances shall be deposited into miscellaneous receipts of the Treasury. There is no comparable House provision. The House recedes.

Designation of the Chairman of the Board of the Association.—Under the Senate amendment, the Chairman of the Board of Directors for the Association is to be designated by the Board members, whereas under the House amendment, the Chairman is to be appointed by the President. The Senate recedes.

Appointment of the Board of Directors.—Under both amendments, the President is to appoint seven directors for the permanent Board. The House amendment, but not the Senate bill, requires that the Board members appointed by the President be representative of the general public. The Senate recedes with the understanding that members representing the general public should not represent eligible lenders or eligible institutions.

Term of the Board of Directors.—Under the Senate amendment, presidential appointees to the Board serve at the pleasure of the President and all directors serve until their successors have been ap-

pointed and have qualified. Under the House amendment, all directors serve on an annual basis with the presidential appointments, but not the other directors, serving until their successors have been appointed and qualified. The House recedes.

Meetings of the Board of Directors.—The House amendment, but not the Senate amendment, required the Board of Directors to meet at least semiannually. The Senate recedes.

Restrictions regarding servicing of insured student loans.—Under the Senate amendment, but not the House amendment, the Association may only deal in student loans of a lender if with respect to such lender the Association finds—

(1) that such lender (A) did not discriminate against any particular class or category of students by (i) requiring that the student or his family maintain a business relationship with the lender (except in the case of credit unions), and (ii) refusing to make loans to students for their freshman year of study, and (B) did not discriminate on the basis of sex, color, creed, or national origin; and

(2) that the lender's institution is in the geographical vicinity of the student's legal residence, or the loan was obtained only after the student had exercised reasonable efforts to obtain a loan from eligible lenders in the geographical vicinity of the student's legal residence, or the student obtained the loan with a lender outside the geographical vicinity of the student's legal residence because the lender maintained a business relationship with the student or his family.

The conference agreement provides that the Association shall make advances on security or purchase student loans only after being assured that (A) the lender does not discriminate by pattern or practice against a particular class of students by requiring a previous business relationship, except that this provision does not apply to credit unions, saving and loan associations, mutual savings banks, or institutions of higher education or to lenders with less than $50,000,000 in deposits; (B) that the lender does not discriminate on the basis of race, sex, color, creed, or national origin.

Common stockholders.—Under both amendments lenders who are qualified as insured lenders under part B of title IV may be common stockholders. The House amendment also allowed "eligible institutions" as defined in section 435 (other than an institution outside the United States) to be common stockholders, whereas the Senate amendment does not. The Senate recedes.

Guarantee of Association's obligations.—The Senate amendment (within such limits as may be specified in appropriations Act) authorized the Secretary of Health, Education, and Welfare to guarantee payment when due of principal and interest on obligations issued by the Association. Under the House amendment, the Secretary was so authorized but without regard to any limitations in appropriations Acts. The Senate recedes.

Obligations of the Secretary of Health, Education, and Welfare.—The Senate amendment authorized the Secretary of Health, Education, and Welfare, when discharging responsibilities under guarantees issued by him, to issue to the Secretary of the Treasury notes or other obligations subject to such terms and conditions as may be

prescribed by the Secretary of Health, Education, and Welfare with the approval of the Secretary of the Treasury, but only in such amounts as may be specified from time to time in appropriations Acts. Under the House amendment, the Secretary of Health, Education, and Welfare was also authorized to issue such obligations. However, there was no reference to limitations in appropriations Acts as is the case in the Senate amendment. The Senate recedes.

Audit.—With respect to the auditing of the Association, the respective amendments differ as follows:

(a) Under the Senate amendment, the financial transactions of the Association will be audited by the Secretary of the Treasury, whereas under the House amendment, the accounts of the Association will be audited by independent certified public accountants or by independent licensed public accountants. The Senate recedes.

(b) Under the Senate amendment, the audit must be in accordance with the principles and procedures applicable to commercial corporate transactions and under such rules and regulations as the Secretary of the Treasury may prescribe, whereas under the House amendment, audits must be conducted in accordance with generally accepted auditing standards. The Senate recedes.

(c) The Senate amendment, but not the House amendment, specified that the audit shall be conducted at the place or places where the accounts of the Association are normally kept. The House recedes.

(d) The Senate bill, but not the House amendment, provided representatives of the Secretary with access to the Association accounts. The House recedes.

(e) Under the Senate amendment, appropriations of such sums as are necessary are authorized to cover the expenses of audits. The Association was required to reimburse the Treasury Department for the full cost of such audits, and these sums will be reimbursed to the Treasury as miscellaneous receipts. The House amendment had no comparable provision. The Senate recedes.

(f) The House amendment required that each audit report be furnished the Secretary of the Treasury, whereas under the Senate amendment, the Secretary of the Treasury carried out the audit requirement and furnish a copy to the Secretary of Health, Education, and Welfare. The Senate recedes.

(g) Under both amendments, a report of each audit for a fiscal year must be made to the President and to the Congress. Under the Senate amendment, the report was to be accompanied by such recommendations as the Secretary of the Treasury may deem advisable, whereas under the House amendment, the report was to be made with such recommendations as the Secretary of Health, Education, and Welfare deems advisable. The House recedes.

Separability.—The House amendment but not the Senate bill contained a separability section. The Senate recedes.

Emergency Insured Student Loan Act

Authority for paying special allowances on insured loans.—The Senate amendment extended the authority contained in the Emergency Insured Student Loan Act for paying special allowances on insured student loans through fiscal year 1973, whereas the House amendment extended such authority through fiscal year 1976. The conference substitute extends this authority through fiscal year 1974.

College Work-Study Program

Statement of purpose of college work-study program.—Under existing law, the purpose of the college work-study program is stated as "stimulation and promotion of part-time employment of students, particularly students from low income families". The House amendment but not the Senate bill, deleted "from low income families" and substitutes in lieu thereof "with great financial need." The Senate recedes.

Extending college work-study.—The Senate amendment extends the program through fiscal year 1975, whereas the House amendment extended the program through fiscal year 1976 with the following annual authorization of appropriations:

	Senate	House
Fiscal year:		
1972	$320,000,000	$330,000,000
1973	320,000,000	360,000,000
1974	320,000,000	390,000,000
1975	320,000,000	420,000,000
1976		450,000,000

The conference substitute provides authorizations for the program through fiscal year 1975, and at the rates provided for in the House amendment for those years.

Allotments to States.—The Senate amendment did not change existing law with respect to allotment of work-study funds to States. The House amendment provided a uniform formula for allotting funds for work-study and student loan on EOG programs. That formula was the same as the existing law except that 10 percent is received for discretionary allotment by the Commissioner. The conference substitute provides separate allotment formulas and continues the existing formula for work-study, except that the feature reserving 10 percent for the Commissioner is retained as provided by the House. Savings provisions are included to ensure that no State's allotment will be reduced below its 1972 level.

Selection of students.—The Senate amendment, but not the House amendment, modified the eligibility criteria for students participating in the college work-study program so as to require that the actual cost of attendance at the institution be taken into consideration in connection with determining whether students meet the criteria that employment is necessary in order to pursue a course of study at such institution. The House recedes.

Part-time students.—Only full-time students presently may participate in the college work-study program. The House amendment, but not the Senate amendment, expanded eligibility to allow participation of students who are attending an institution on at least a half-time basis. The Senate recedes.

Preference for participation.—Under present law, preference for participation in college work-study is extended to students from "low-income families". The House amendment, but not the Senate amendment, modified the preference so as to include students "with the greatest financial need taking into account grant assistance provided such students from any public or private source". The Senate recedes.

Student eligibility.—Under present law only a student who is capable in the opinion of the institution of maintaining a good standing while employed under the work-study program is eligible for participation. The House amendment, but not the Senate amendment modified this criteria by deleting "is capable in the opinion of the institution" and substituting in lieu thereof "shows evidence of academic or creative promise and capability of maintaining good standing". The House recedes.

The House amendment eliminated the restriction on the hours a student may work while participating in the work-study program. No comparable Senate provision. The Senate recedes.

Work-study for community service learning.—The House amendment, but not the Senate amendment, added a new section to the college work-study program which authorized the Commissioner to enter into agreements with public or private nonprofit agencies for the purpose of implementing work-study for community service learning programs. These are special work-study programs designed to provide students with opportunity for service to the community as well as the enhancement of their educational development. The program provides a preference for veterans of the Armed Forces who served in Indo-China or Korea after August 5, 1964. Authorized an appropriation of $50,000,000 for fiscal year 1972 and each of the four succeeding fiscal years. The Senate recedes with amendment limiting authorizations to $25,000,000, for fiscal year 1972, and $50,000,000 in each of the three succeeding fiscal years.

Cooperative Education

Amendments extending cooperative education programs.—The Senate amendment extended the program through fiscal year 1975, whereas the House amendment extended the program through fiscal year 1976 with the following annual authorization of appropriations:

(a) Grant Program:

	Senate	House
Fiscal year:		
1972	$10,000,000	Such sums.
1973	10,000,000	Do.
1974	10,000,000	Do.
1975	10,000,000	Do.
1976		Do.

(b) Research and training program:

	Senate	House
Fiscal year:		
1972	$750,000	Such sums.
1973	750,000	Do.
1974	750,000	Do.
1975	750,000	Do.
1976		Do.

The conference substitute extends both programs through fiscal year 1975, and at the level of authorization provided in the Senate amendment.

Use of cooperative education funds.—The House amendment, but not the Senate amendment, expanded the training and research provision

so as to authorize for the first time support of "projects demonstrating or exploring the feasibility or value of innovative methods of cooperative education." The Senate recedes.

Direct Student Loans

Direct loans to students.—The Senate amendment amended title IV of the Higher Education Act to add provisions comparable with those of title II of the National Defense Education Act. The House amendment extended title II of the National Defense Education Act. The House recedes.

Form of authorization.—Under the Senate bill, the Commissioner of Education was directed to carry out a program of low-interest loans, whereas the House amendment continued the National Defense Education Act title II, wherein funds are authorized for the purpose of enabling the Commissioner to carry out the program of low interest student loans. The House recedes.

Authorization of appropriations.—The Senate amendment authorized appropriations beginning in fiscal year 1972 through fiscal year 1975 for the direct loan program, whereas the House amendment extended title II of the National Defense Education Act through fiscal year 1976 with the following respective authorizations.

	Senate	House
Fiscal year:		
1972	$375,000,000	$425,000,000
1973	375,000,000	475,000,000
1974	375,000,000	575,000,000
1975	375,000,000	675,000,000
1976		675,000,000

The conference substitute authorizes appropriations through fiscal year 1975. Level of authorizations are $400,000,000 for each year of the program's duration, except that for fiscal year 1972 the authorization is $375,000,000.

Use of capital contributions.—Under the National Defense Education Act, title II, which the House amendment continued, Federal capital contributions and all other contributions from participating institutions must be used for the establishment and maintenance of student loan funds, whereas under the Senate amendment, such contributions shall not only be used for the establishment and maintenance of student loan funds, but also for their expansion. The House recedes.

Apportionment of appropriations.—Under existing law, the appropriation of funds under title II of the National Defense Education Act is allotted among the States. The House amendment, but not the Senate amendment revised the statutory formula for the allotment to make it uniform with the formula applicable to the Educational Opportunity Grants and Work Study programs. The conference substitute retains the allotment formula of the Senate amendment except that 10 percent of the appropriations are to be reserved by the Commissioner for equitable allotment in the manner which he considers will be most effective. Savings provisions are included to insure that no State will receive a reduced allotment by reason of this provision.

Manner in which funds are paid to institution.—Under title II of the National Defense Education Act, which the House amendment continued, the Commissioner of Education is authorized to make payment to student loan funds in such installments as the Commissioner determines which will not result in unnecessary accumulations. The Senate amendment provided for payments by the Commissioner which will not result in unused accumulations. The Senate recedes. The Conferees agreed that in determining whether accumulations are unnecessary the Commissioner may not take the availability of other student assistance programs into consideration.

Reallotment of funds.—The method for reallotment of funds under the new direct loan program is substantially the same as that presently authorized in title II of the National Defense Education Act—that is, on the same basis as the statutory formula. The provisions differ in that under existing law, excess funds are reapportioned to all States, whereas under the Senate amendment, excess funds are reapportioned only to States which had in the same fiscal year received less than the amount requested. The House amendment revised the reallotment authority by authorizing the Commissioner to reallot National Defense Education Act title II funds pursuant to such criteria as he may determine. The House recedes.

Agreements with institutions of higher education.—(a) Under title II of the National Defense Education Act, which the House amendment continued, the agreement between the Commissioner and the institution must provide for the establishment of a student loan fund for the purposes of the program, whereas, under the Senate amendment, such agreement must provide not only for the establishment but also for the maintenance of a student loan fund. The House recedes.

(b) Under title II of the National Defense Education Act which the House amendment continued, the agreement must provide that student loan funds will only be used for loans to students in accordance with provisions of the agreement between the Commissioner and the institution, whereas under the Senate amendment, funds may only be used for loans to students in accordance with provisions of the statute. The House recedes.

(c) Under title II of the National Defense Education Act which the House amendment continued, the student loan fund may also be used for the cost of litigation and for other collection costs agreed to by the Commissioner, whereas under the Senate amendment, funds may be used only for litigation and such collection costs which are authorized by the Commissioner by regulation. The Senate recedes.

(d) The House amendment would allow the assignment of its rights to the United States under any loan to the United States, when such loan has been in default for at least one hundred and eighty days. There was no comparable Senate provision. The conference report retains this provision with a modification requiring that the loan must have been in default for two years.

Terms of loans.—Under title II of the National Defense Education Act, which the House amendment continued, loans to any student are subject to such conditions, limitations, and requirements as the Commissioner may prescribe by regulation or in the agreement with the institution. Under the Senate amendment, such loans will be subject to only conditions, limitations, and requirements which the Commissioner shall prescribe by regulation. The House recedes.

Loan limits.—Under title II of the National Defense Education Act, a loan may not exceed $2,500 in the case of a graduate student, $1,000 in the case of any other student, with an aggregate limitation of $10,000 in the case of a graduate or professional student, and $5,000 in the case of any other student. The Senate amendment increased the annual limit for undergraduate students from $1,000 to $1,500 and the aggregate limit from $5,000 to $7,500. The House amendment retained the $10,000 and $5,000 aggregate limit, set a $2,500 aggregate limit for the first two years of study leading to a bachelor's degree, and eliminated the annual ceilings of $2,500 for graduate students and $1,000 for any other student. The Senate recedes.

Repayment of loans.—Under title II of the National Defense Education Act, which the House amendment continued, the repayment period commences nine months after the date on which the borrower ceases to carry at an institution of higher education or a comparable institution outside the United States at least one-half the normal full-time academic workload. Under the Senate amendment, the language "or at a comparable institution outside the United States" was deleted. Existing law, which the House amendment continued, provided for repayment in equal installments (or graduated periodic installments determined in accordance with schedules approved by the Commissioner) payable quarterly, bimonthly, or monthly (at the option of the institution). The Senate amendment provided for making repayments in installments. The Senate recedes.

Assessment of charges for failure to repay.—Under title II of National Defense Education Act, an institution (pursuant to regulations of the Commissioner) may assess charges for failure to pay all or part of an installment when it is due, or failure of a recipient to file timely and satisfactory evidence of deferment or forgiveness of entitlement. Under the Senate amendment, such charges may be levied by the institution only if the agreement between the institution and the student provides for such assessment. The House recedes.

Eligibility of veterans.—The House amendment, but not the Senate amendment, provided that in determining the need of a veteran for a National Defense Education Act loan, an institution is not to take into account the income and assets of the veterans' parents. There was no comparable Senate provision. The Senate recedes.

Forgiveness.—(a) *Regular forgiveness.*—The Senate amendment but not the House amendment continued existing law under which a full-time teacher in a public or private elementary or secondary school, in an institution of higher education, or in an Armed Forces elementary or secondary school overseas, may have up to 50 per centum of his loan forgiven at the rate of 10 per centum per year. The Senate recedes.

(b) *Veterans' forgiveness.*—The Senate amendment but not the House amendment continued existing law under which up to 50 per centum of a loan may be forgiven for military service at the rate of 12½ per centum per year for each year of consecutive military service. The conference substitute provides this forgiveness only for military service in areas of hostilities.

(c) *Forgiveness for teachers of handicapped students.*—The House amendment continued existing law under which 100 per centum of a

loan may be forgiven at the rate of 15 per centum per year for service as a teacher of handicapped children. The Senate amendment provided that forgiveness on account of a teacher of handicapped children shall be at the following rates: 15 per centum for the first and second years; 20 per centum for the third and fourth years; and 30 per centum for the fifth year. The House recedes.

(d) *Forgiveness for preschool teachers.*—The House amendment but not the Senate amendment expanded the forgiveness feature so as to provide forgiveness at the rate of 15 per centum per year up to a maximum of 100 per centum for service as a full-time staff member in a preschool program carried on under the Headstart section of the Economic Opportunity Act. In order to qualify, the program must be operated on a full school year basis and the salaries of staff members must be no more than the salaries of comparable employees of the local educational agency. The Senate recedes.

(e) *Forgiveness for service as a teacher of disadvantaged children.*—Under existing law, service as a teacher in a school determined by the Commissioner to be a school in which there is a high concentration of students from low-income families, qualifies for forgiveness at the rate of 15 per centum per year up to a maximum of 100 per centum. Only 25 per centum of the total public and private elementary and secondary schools in the State may be designated as such by the Commissioner unless more than this number have enrollments of qualifying students which exceed 50 per centum of the total enrollment. The Senate amendment provided up to 100 per centum forgiveness for teachers of children from low-income families (determined under section 103 of title I of the Elementary and Secondary Education Act) at the rate of: 15 per centum for the first and second years; 20 per centum for the third and fourth years; and 30 per centum for the fifth year. No more than 50 per centum of the number of schools in any State may qualify teachers for this type of forgiveness. Under the House amendment, up to 100 per centum of a loan may be forgiven at the rate of 15 per centum per year for service in any school in which the enrollment of low-income children (using a low-income factor of $3,000) is 40 per centum or more of the total enrollment. The Senate recedes, but with an amendment reducing the 40 percent of total enrollment to 30 percent and an amendment which would assure that not more than half of the schools getting title I assistance would qualify.

Terms of loans.—The House amendment continued existing law with respect to the requirement that student borrowers must take an oath of allegiance to the United States to be eligible to receive a National Defense Education Act loan. The Senate amendment would not impose this requirement on borrowers under part E of title IV. The House recedes.

Transfer of funds.—The House amendment authorized each institution of higher education to transfer not to exceed 10 per centum of its allotment under the Educational Opportunity Grants and college work-study programs between these two programs. The Senate amendment has no comparable provision. The Senate recedes.

Submission of regulations.—The House amendment required that copies of all rules, regulations, guidelines, instructions, and application forms published or promulgated under title IV of the Higher Education Act be provided to the Senate Committee on Labor and Public

Welfare and the House Committee on Education and Labor at least thirty days prior to their effective date. There was no comparable Senate provision. The Senate recedes.

Waiver of maintenance of effort in certain cases.—The House amendment, but not the Senate amendment, authorized the Commissioner to waive the maintenance of effort requirement in the Educational Opportunity Grants and work-study programs "under special and unusual circumstances". The Senate recedes with the understanding that waivers be granted in accordance with rules and regulations promulgated by the Commissioner.

Eligibility for student assistance.—The Senate amendment transferred to title IV of the Higher Education Act language relating to eligibility for student assistance currently contained in section 504 of Public Law 90–575, except that the Senate language dropped from the coverage of this section fellowships awarded under titles II, III, and V of the Higher Education Act; and titles IV and VI of the National Defense Education Act. The House amendment had no comparable provision. The House recedes.

Affidavit of educational purpose.—The Senate amendment required that any student who receives a grant, loan, or loan guarantee under title IV of the Higher Education Act file with the institution of higher education which he attends an affidavit stating that the money he receives will be used solely for expenses related to attendance or continued attendance at such institution. If the institution determines that any student has violated the affidavit he has filed, the student is to be required to return any assistance subject to the violation and shall not be eligible for any further assistance under title IV of the Higher Education Act after the date of the violation. The House amendment had no comparable provision. The House recedes with an amendment striking the provision dealing with violations with understanding that any violations will be subject to the normal penalties provided under the law for false or fraudulent statements.

Financing Postsecondary Education

The Senate amendment in two places required studies of financial conditions of institutions of higher education in order to assess the dimensions and extent of the financial crisis confronting those institutions. One study was to be conducted by the Commissioner; one by the Secretary. Each study was to be presented to the President and the Congress no later than December 31, 1972. The House amendment created within the executive branch the National Commission on the Financing of Postsecondary Education to conduct a similar study. The Commission was to report to the President and the Congress by June 30, 1973.

The conference agreement incorporates the purposes enunciated in the three studies and establishes the National Commission on the Financing of Postsecondary Education to conduct such a study and report to the Congress no later than April 30, 1973. The Commission shall suggest national uniform standards for the determining of the annual student cost of providing postsecondary education for students in all types and classes of institutions. Not later than sixty days after the final report of the Commission, the Commissioner shall make a report to the Congress commenting upon the Commission's suggested

national uniform standards and incorporating his recommendations with respect to such standards as well as any related recommendations for legislation. The conference agreement authorizes $1,500,000 for the purposes of carrying out this study.

Education Professions Development

Authorization of appropriations.—The Senate amendment continues the separate authorizations of appropriations for the various parts of the title, as contained in existing law, only for fiscal year 1972; for fiscal year 1973 through fiscal year 1975, it authorized a single appropriation. The House amendment continued existing separate authorizations through fiscal year 1976. The authorizations are as follows:

	Senate	House
Fiscal year:		
1973	$600,000,000	Such sums.[1]
1974	600,000,000	Do.[1]
1975	600,000,000	Do.[1]
1976		Do.[1]

[1] Separately authorized for each part.

The conference agreement authorizes $200,000,000 for fiscal year 1973, $300,000,000 for fiscal year 1974, and $450,000,000 for fiscal year 1975.

Training of teachers of children with limited English-speaking ability.—The Senate amendment, but not the House amendment, earmarked not less than 5 per centum of the amounts available for the purposes of part C or part D for the training of teachers for service in programs for children with limited English-speaking ability. The House recedes.

Removing the ceiling on institutional payment under fellowship program.—Effective in fiscal year 1973, the Senate amendment removed the $3,500 limitation on institutional cost of education payments which accompany stipend-holders under part C. The Commissioner would only be limited to paying an amount he determines to be consistent with prevailing practices under comparable federally supported programs. The House amendment contained no comparable provision. The House recedes.

Estimate of sums necessary to support national advisory council.—The Senate amendment required the Department of Health, Education, and Welfare to submit to the Congress an estimate of the sums necessary to support the National Advisory Council, under the authority of section 401(c) (salaries and expenses) and part C (advisory councils) of the General Education Provisions Act. As noted above, the House amendment continued the separate authorization of appropriations. The House recedes.

Functions of, and compensation for, the Director of the Teacher Corps.—The Senate amendment promoted the Director of the Teacher Corps from a GS–17 to a GS–18, and increased the rank of the Deputy Director from a GS–16 to a GS–17, specifically providing that both positions shall be in addition to the number of positions in those grades under title V of the United States Code. There was no comparable House provision. The Senate recedes.

Delegation authority.—The Senate amendment provided that the Commissioner may delegate his functions with relation to the Teacher Corps only to the Director, and that neither the Director nor the Deputy Director shall be assigned any function unrelated to the Teacher Corps. The House amendment contained no comparable provision. The House recedes.

Under present law, the Director of the Teacher Corps is placed in the General Schedule at the level of grade 17 and the Deputy Director is placed in the General Schedule at the level of grade 16. The Senate amendment amended the provisions of present law to raise the Director and Deputy Director of the Teacher Corps to grades 18 and 17, respectively.

The Senate conferees stated that the purpose of these amendments was to make clear that the Teacher Corps was to have direct reporting authority to the Commissioner of Education, and that the Teacher Corps was not to be subjected to administrative direction at lower levels within the Office of Education.

The House conferees refused to accept this provision of the Senate amendment for reasons other than disagreement with the purpose of the Senate amendment, and agreed that the amendment was unnecessary to attain the objectives of the Senate amendment. It is the understanding of the conferees in rejecting the Senate amendment that the status of the Teacher Corps within the Office of Education should be the same as was originally intended with the enactment of the Higher Education Act of 1965: the Teacher Corps is intended to be independent of the regular bureaucratic structure of the Office of Education, and the Director of the Teacher Corps is not intended to be subjected to the administrative direction of persons other than the Commissioner of Education. The House conferees did agree to that part of the Senate amendment which relates to the delegation of authority of the Commissioner to the Director of the Teacher Corps, in line with that intention.

Tutors and instructional assistants—volunteer services.—Both amendments amended the program of attracting and qualifying teachers to meet critical teacher shortages by authorizing programs involving tutors and instructional assistants. The Senate amendment authorized grants to States to enable them to employ high school and college students as tutors or instructional assistants for educationally disadvantaged children, to compensate them at rates consistent with prevailing practices under comparable federally supported work-study programs, and to provide necessary training to teachers to enable them to teach other grades or other subjects in which there is a shortage. The House amendment differed only in that its grants are to encourage volunteers, including high school and college students, for service as part-time tutors or full-time instructional assistants for educationally disadvantaged children. The House recedes.

State plans.—The Senate amendment amended the State plan section of the program of attracting and qualifying teachers to include a requirement that the plan reflect the amendment above, permitting funds to be used for these new activities. The House amendment amended the section to include only teacher retraining as a permissible expenditure under the State plan. The House recedes.

Fellowships in school nursing.—The House amendment added fellowships in school nursing as eligible for support under part C

(fellowships). The Senate amendment contained no comparable provision. It is the understanding of the conferees that the expanded authorization in this section shall not duplicate the existing authority in the Public Health Service Act.

Improving training programs for the education of teachers and related educational personnel.—The Senate amendment authorized programs for the improvement of undergraduate programs for preparing educational personnel. The House amendment authorized programs for the development, expansion, or improvement of such programs. The House recedes.

Employment of tutors.—The Senate amendment authorized programs to employ tutors or instructional assistants especially for educationally disadvantaged children and children with limited English-speaking ability. There was no comparable House provision. The Senate recedes.

The encouragement of volunteers.—The House amendment provided for programs to encourage volunteers, including high school and college students, for service for part-time tutors or full-time instructional assistants especially for disadvantaged students. There was no comparable Senate provision. The Senate recedes.

Programs for teachers of migrant children.—The Senate amendment authorized programs designed to meet the need for the training of teachers for participation in education programs for migratory children of migratory agricultural workers, including teacher exchange programs. The House amendment contained no comparable provision. The House recedes.

Instructional Equipment

Authorization of appropriations.—The Senate amendment extended title VI (instructional equipment grants) for four years, through fiscal year 1975 at the fiscal year 1971 authorization level of funding. The House amendment extends it for five years at the same level through fiscal year 1976. The conference substitute provides a four year extension.

Academic Facilities

Transfer of Higher Education Facilities Act to the Higher Education Act.—The Senate amendment amended the Higher Education Act by creating a new title VII—"Construction of Academic Facilities", with provisions comparable to the existing Higher Education Facilities Act. The House amendment continued the Higher Education Facilities Act as a separate statute with certain amendments. The conference substitute adopts the Senate approach of transferring the facilities program to the Higher Education Act.

Undergraduate Facilities Grants

Authorization of appropriations.—The Senate amendment authorized appropriations beginning in fiscal year 1972 through fiscal year 1975 for undergraduate facilities grants, whereas the House amendment extended the existing undergraduate facilities authority through fiscal year 1976 with the following respective authorizations:

	Senate	House
Fiscal year:		
1972	$936,000,000	Such sums.
1973	936,000,000	Do.
1974	936,000,000	Do.
1975	936,000,000	Do.
1976		Do.

The conference agreement authorizes the appropriation of $50,000,000 for fiscal year 1972, $200,000,000 for fiscal year 1973, $300,000,000 for fiscal year 1974, and the succeeding fiscal year.

Distribution of undergraduate facilities appropriations.—Existing law, which the House extended, provided that 24 per centum of the funds appropriated for undergraduate facilities grants are to be used for providing academic facilities for public community colleges and public technical institutes, whereas the Senate amendment provided that not less than 24 per centum nor more than 33⅓ per centum of such funds are to be reserved by the Commissioner and allotted to States for this purpose. The Senate recedes.

Allotments to States for public community colleges and public technical schools.—Under title I of the Higher Education Facilities Act, which the House amendment continued, each State is allotted a minimum of $50,000 for academic facilities; the amount of funds necessary to award $50,000 to those States which would not receive this sum by application of the statutory formula is derived by ratably reducing the amount awarded to those States which receive more than the minimum. The Senate amendment continued the $50,000 minimum figure, but did not provide for ratable reduction. The Senate recedes.

Determination of a State's allotment ratio.—Existing law, extended by the House, provided that the allotment ratio of a State shall be .50 for any fiscal year if the Commissioner finds that the cost of school construction in such State exceeds twice the median cost of such costs in all the States as determined by him on the basis of an index of the average per pupil cost of constructing minimum school facilities in the States as determined for such fiscal year under section 15(6) of the Act of September 23, 1950 (Public Law 815) or, in the Commissioner's discretion, on the basis of such index and such other statistics and data as the Commissioner shall deem adequate and appropriate. The Senate amendment (1) dropped the requirement for comparison with the Public Law 815 index and allows the Commissioner to make the determination on the basis of statistics and data which he deems adequate and appropriate and (2) added the Trust Territory of the Pacific Islands as an eligible recipient of funds. The House recedes.

Amendments relating to the definition of the term "high school graduate" for the purpose of determining a State's allotment.—Existing law, extended by the House, defined the term "high school graduate" as it is used in language relating to the State allotment formula as a person who has received formal recognition (by diploma, certificate, or similar means) from an approved school for successful completion of four years of education beyond the first eight years of schoolwork, or for demonstration of equivalent achievement. The Senate amendment did not define the term. The Senate recedes.

Eligibility for grants.—(a) The Senate bill required the State Commission to determine, in accordance with criteria established by regulation, that proposed construction will result within a reasonable

time in a substantial expansion or creation of facilities at an institution of higher education. Existing law, extended by the House, requires that the determination be made, but does not specify who is to make such determination. The House recedes.

(b) Existing law, extended by the House, provides that if the Commissioner finds that the student enrollment capacity of an institution would decrease if an urgently needed academic facility is not constructed, construction of such a facility may be considered to result in expansion of the institution's student enrollment capacity for the purpose of meeting basic eligibility criteria. The Senate amendment would require the Commissioner to make such determination in accordance with criteria established by regulations. The House recedes.

Basic criteria for determining priorities and Federal share.—(a) Existing law, extended by the House, provides that criteria developed by the Commissioner shall give consideration to expansion of capacity to provide needed health care to students and institutional personnel; the Senate amendment dropped "and institutional personnel". The Senate recedes.

(b) Existing law, extended by the House, requires the Commissioner to prescribe by regulation basic criteria for determining the Federal share of the development cost of any eligible project under the undergraduate facility grant authority and requires that State standards and methods for making such determinations in State plans conform to such criteria *in the absence of a uniform statewide Federal share specified in or pursuant to such plan;* the Senate amendment dropped the italicized words. The House recedes.

(c) Existing law, extended by the House, limits the Federal share of any undergraduate facility to 50 per centum of the development cost; the Senate amendment would raise this percentage to 66⅔ in the case of developing institutions. The Senate recedes.

Applications for grants, amount of grants, and conditions for approval.—(a) Existing law, extended by the House, provided that the Commissioner shall approve a project if he finds it to be in compliance with several requirements, including that the project has been approved and recommended by the State Commission; the Senate amendment amends this language by requiring that the project be submitted through, and approved and recommended, by the State Commission. The House recedes.

(b) The Senate amendment required the Commissioner to determine that the construction to be carried out under the application will be undertaken in a timely and economic manner. Existing law, extended by the House, merely requires a determination that the construction will be accomplished in an economic manner. The House recedes.

Payment of undergraduate facility grants.—Existing law, extended by the House, provides that the Commissioner shall pay the amount of approved applications in advance or by way of reimbursement, and in such installments, consistent with construction progress, as he may determine. The Senate amendment merely provides that the Commissioner shall pay the amount reserved to the applicant. The Senate recedes.

Graduate Facilities Grants

Authorization of appropriations.—The Senate bill authorized appropriations beginning in fiscal year 1972 through fiscal year 1975 for graduate facilities grants, whereas the House amendment extends the existing graduate facilities authority through fiscal year 1976 with the following respective authorizations:

	Senate	House
Fiscal year:		
1972	$60,000,000	Such sums.
1973	60,000,000	Do.
1974	90,000,000	Do.
1975	90,000,000	Do.
1976		Do.

The conference substitute authorizes the appropriation of $20,000,000 for fiscal year 1972, $40,000,000 for fiscal year 1973, $60,000,000 for fiscal year 1974, and $80,000,000 for fiscal year 1975.

Loans for Construction of Academic Facilities

Lending authority and authorization of appropriations.—(a) Existing law, extended by the House, provides that the Commissioner may make loans; the Senate amendment directs that the Commissioner shall carry out a program of making loans. The House recedes.

(b) The Senate amendment provided that in the case of an application for a loan to construct an undergraduate academic facility, the institution of higher education or building authority must have submitted an application which is approvable under part A (the undergraduate facility grants authority). The Senate recedes.

(c) The Senate amendment authorized appropriations for transfer to the revolving fund beginning in fiscal year 1972 through fiscal year 1975, whereas the House amendment authorized these appropriations through fiscal year 1976. The respective levels of authorization are:

	Senate	House
Fiscal year:		
1972	$200,000,000	Such sums.
1973	200,000,000	Do.
1974	200,000,000	Do.
1975	200,000,000	Do.
1976		Do.

The conference substitute authorizes the appropriation of $50,000,000 for fiscal year 1972, $100,000,000 for fiscal year 1973, $150,000,000 for fiscal year 1974, and $200,000,000 for fiscal year 1975.

Eligibility conditions.—Existing law, extended by the House, provides that no loan shall be made under this program unless the Commissioner finds that not less than 25 per centum of the development cost of the facility will be financed from non-Federal sources; the Senate amendment changes this figure to 20 per centum. The House recedes.

General provisions for the loan program.—Existing law, extended by the House, authorizes the Commissioner to foreclose on property; the Senate amendment provided that such action shall not preclude

any other action by him to recover any deficiency in the amounts loaned. The House recedes.

Revolving loan fund.—Existing law, extended by the House, provides that whenever the Commissioner determines that moneys in the fund exceed the present and any reasonably propsective future requirements of the fund, such excess may be transferred to the general fund of the Treasury. The Senate amendment provided that such excess shall be available for the purposes of the under graduate facilities grant program and shall be deemed to have been appropriated pursuant to such authority. The Senate recedes.

Annual interest grants.—(a) The Senate amendment but not the House amendment added language which would require that applications for construction of undergraduate facilities be approvable under the undergraduate facility grant program before an institution of higher education or a building agency could receive an annual interest grant. The Senate recedes.

(b) The Senate amendment increased the aggregate amount of annual interest grants which may be paid by $13,500,000 in fiscal year 1972 and in each of the three succeeding fiscal years. There was no comparable House provision. The House recedes.

Academic facilities loan insurance.—Both amendments include a new authority for Federal insurance of academic facilities loans. The House provision limited such insurance to facilities at nonprofit private institutions of higher education, while the Senate provision allowed the Commissioner to insure loans for construction at public institutions as well. The Senate recedes.

Construction Assistance in Major Disaster Areas

Extending construction assistance in major disaster areas and relating to the amount of assistance.—(a) The Senate amendment, but not the House amendment, extended the program of grants in major disaster areas, through fiscal year 1975. The House recedes.

(b) Existing law limits the assistance provided to a school for the purpose of carrying out construction necessary to restore or replace destroyed or damaged facilities to one-half of the costs of restoration or replacement. The Senate amendment authorized a maximum grant of up to the total replacement cost, minus any insurance funds or other funds available to the institution. There was no comparable House provision. The House recedes.

Advances.—Present authority, in the disaster assistance provision, authorizes assistance for either construction or equipment in the form of a repayable advance "subject to such terms and conditions as the Commissioner feels to be in the public interest". Under the Senate amendment, repayable assistance may be provided, only if the Commissioner determines that financial resources will become available to an institution at some future date or dates. Upon that determination he is authorized to make funds available to an institution in accord with an agreement which provides that the institution will repay part or all of the funds received. The House recedes.

Applications procedures.—Existing application provisions relating to construction and equipment assistance in major disaster areas, require that an application be submitted for construction assistance

and/or equipment assistance. The Senate amendment contained application requirements with respect to assistance for facilities but not for equipment assistance. The Senate recedes.

GENERAL PROVISIONS

Recovery of payments.—(a) The House amendment added language which would allow the Secretary of HEW to release an institution from its obligation to use a facility constructed with grant aid as an academic facility for twenty years when he determines that there is good cause for releasing the institution. The Senate amendment had no similar provision. The Senate recedes.

(b) Both amendments added language which prohibited the use of facilities constructed with Federal assistance from ever being used for religious worship or a sectarian activity or for a school or department of divinity. The Senate amendment applied this prohibition to any facility constructed with grant aid, a loan, or loan insurance. The House amendment extended only to facilities constructed with Federal grant assistance. The House recedes.

Definition of academic facility.—The House amendment added language which require that plans for facilities constructed with Federal funds under the Higher Education Facilities Act have due consideration for excellence of architecture and design consistent with economical construction. The Senate amendment had no similar provision. The House recedes.

Amendments relating to definitions.—The House amendment continued existing law in which "public educational institution" is defined as not including an institution or institutions of any agency of the United States. The Senate amendment did not contain this definition with the result that institutions of higher education owned by the United States become eligible for assistance under the Higher Education Facilities Act. The Senate recedes.

Continuation of annual interest grants program.—The Senate amendment continued the annual interest grants program in the incorporation of the Higher Facilities Act into title VII of the Higher Education Act. The authority for this program as a part of title VII of the Higher Education Act would be effective as of the date of enactment of this legislation; however, the Senate amendment struck section 306 of the Higher Education Facilities Act, which currently authorizes the annual interest grants program, as of July 1, 1971. There were no comparable House provisions. The conference substitute includes this provision with appropriate revision to make the dates current.

Networks for Knowledge

Amendment affecting authorization of appropriations.—The Senate amendment extended "Networks for Knowledge" for four years through fiscal year 1975. The House amendment extends it for five years through fiscal year 1976. The respective authorizations are as follows:

	Senate	House
Fiscal year:		
1972	$15,000,000	Such sums.
1973	15,000,000	Do.
1974	15,000,000	Do.
1975	15,000,000	Do.
1976		Do.

The conference substitute authorizes the appropriation of $5,000,000 for fiscal year 1972, $10,000,000 for fiscal year 1973, $15,000,000 for fiscal year 1974, and the succeeding fiscal year.

Program authority.—(a) The Senate amendment but not the House amendment revised the statement of purpose and authority governing "Networks for Knowledge." (1) Under existing law, extended by the House, the Commissioner is authorized to carry out a program of contracts and grants to meet certain objectives whereas under the Senate amendment, the Commissioner is directed to carry out the program. (2) Under existing law, but not under the Senate amendment, one of the purposes of the program is to test and demonstrate the effectiveness and efficiency of a variety of cooperative arrangements. (3) The Senate amendment but not under existing law specifically includes law and other graduate professional schools as eligible recipients of grants. The conference substitute adopts the provisions of the Senate, except that the provision of existing law described in (2) above is retained.

Eligible activities.—Among the eligible projects specified in existing law is the joint use of facilities such as classrooms and libraries or laboratories. The Senate amendment but not the House amendment expanded this list of types of eligible activities to include joint use of law library facilities. Existing law authorizes projects affording access to specified library collections. The Senate amendment but not the House amendment expanded this authority to include law library collections. The House recedes.

Graduate Programs and Fellowships

The Senate amendment consolidated in a new title of the Higher Education Act the separate categorical programs for graduate schools and fellowships. Part A of that title authorized a program of grants to institutions of higher education for activities similar to those which were authorized to be carried out under title IX—Education for the Public Service, title X—Improvement of Graduate Programs, title VI—NDEA Language Development and the International Education Act. The Senate amendment authorized $100 million for each of the fiscal years 1973 through 1976 and earmarked $18 million of that for support of the kinds of activities previously carried out under the International Education Act and title VI of NDEA. Part B of the Senate amendment authorized a new program of Federal Fellowships which included the authorization of fellowships in some of the areas covered by the separate programs extended by the House—title IX—Public Service Education, title IV—NDEA Graduate Fellowships, title VI—Language and Area Studies. There was authorized to be appropriated such sums as necessary for each of the fiscal years the bill was extended.

The House amendment extended without amendment title IX—Public Service Education for five years and authorized such sums as may be necessary. Similarly title X—Improvement of Graduate Education was extended without amendment for five years with an authorization of such sums as may be necessary. The House amendment extended the International Education Act for five years without amendment and authorized such sums as may be necessary. The House amendment extended titles IV and VI of NDEA with certain changes and authorized to be appropriated such sums as may be necessary for each of the fiscal years the law was extended.

The conference agreement provides for a new title IX—Graduate Programs—of the Higher Education Act. Part A authorizes a program of grants to institutions of higher education similar to title X—Improvement of Graduate Programs and title IX—Public Service Education, of existing law. For the purposes of Part A there is authorized to be appropriated, $30 million for fiscal year 1973, $40 million for fiscal year 1974, and $50 million for fiscal year 1975.

Part B—Graduate Fellowships for Careers in Post-Secondary Education—authorizes 7,500 fellowships for study in graduate programs that lead to teaching positions in institutions of higher education. This part is identical to title IV of the National Defense Education Act as amended by the House amendment.

Part C—Public Service Fellowships—authorizes fellowships for graduate or professional study for persons who plan to pursue a career in public service. There is authorized to be appropriated for fiscal years 1973–1975 such sums as may be necessary. This part is virtually identical to part B of title IX—Education for the Public Service.

Part D—Fellowships for Mineral Resource Conservation and for other purposes—incorporates the nonduplicative provisions of the Senate amendment and authorizes a new program of fellowships for advanced study in domestic mining, mineral and fuel conservation and authorizes fellowships for persons from disadvantaged backgrounds who are undertaking graduate or professional study. The conference report does not include that portion of the Senate amendment which would have authorized fellowship programs in areas relating to study of environmental problems because the conferees were convinced that a substantial program was currently being operated by the National Science Foundation and further the Director of the National Science Foundation assured that the program was going to continue and expand in the future. Therefore, the conference report does not contain that duplicatory language.

The conference report extends title VI of the National Defense Education Act with those amendments adopted by the House. It provided authorizations of $50,000,000 for fiscal year 1973; and $75,000,000 for each of the two succeeding fiscal years.

The purpose of the amendment is to give effect to the conviction that additional emphasis should now be placed on undergraduate education in language and area studies. The changes made by the conference report also reflect the intention that the center approach be modified to include a more program-oriented concept of language and area studies, including the study of problems international in nature.

The modifications include authority for research fellowships for individuals who will be available for elementary and secondary teach-

ing, as well as teaching in institutions of higher education as presently provided for by the Act.

Finally, a new subsection is added to Section 601 of the Act requiring that funds for undergraduate travel be expended only as part of a formal program of supervised study in accordance with regulations promulgated by the Secretary.

The conference report extends without amendment the International Education Act and authorizes such sums as may be necessary through fiscal year 1975. It provides authorizations of $20,000,000 for fiscal year 1973, $30,000,000 for fiscal year 1974, and $40,000,000 for fiscal year 1975.

Interns for Political Leadership

The Senate amendment authorized the Commissioner of Education to develop and carry out an internship program under which students would be provided practical political involvement with elected officials in the performance of their duties at all levels of government through internships in such officials' offices, provided that such internship duties will not involve campaign or other partisan political activities. Interns would be selected from among students whose names are proposed by participating institutions of higher education. Internships would be distributed among the States in the same ratio as the number of Members of Congress from a State bears to the total number of Members of Congress. Federal payments for internships in State and local offices were limited to one-half of the total costs. The Commissioner was authorized to prescribe stipends as well as duration and other terms of the internships. $10,000,000 is authorized for fiscal year 1972 and each of the two succeeding years. There were no comparable House provisions. The Senate recedes.

Improvement of Mineral Conservation Education

The House amendment established a program for the improvement of mineral conservation education, to include the establishment and maintenance of regional mineral resource conservation institutes for the training of mineral engineers and scientists. Further sums were authorized for research grants relating to (1) the conservation, production, and development of mineral resources; and (2) the protection and enhancement of the health and safety of persons employed in the mineral industries. Grants were also authorized to pay 50 per centum of the cost of purchasing equipment and supplies used for the education and training of individuals at the regional institutes. There were no comparable provisions in the Senate amendment. The House recedes.

Improvement of Community Colleges and Occupational Education

The Senate amendment contained provisions establishing a program for the improvement of community colleges. The House amendment, in unrelated provisions, established a program of grants for occupational education. The conference substitute retains, in a single title, the major provisions of both amendments. Changes which would be made in the respective programs are described below.

Establishment and Expansion of Community Colleges

Community college planning.—The Senate amendment authorized grants to States to enable committees established by the State Commissions, established under section 1202, to conduct surveys of postsecondary education programs throughout the States and to develop statewide plans for the expansion and improvement of postsecondary education programs in community colleges. Plans so formulated would be submitted through the State Commissions to the Commissioner.

The conference substitute provides that the State Commissions, rather than statutorily required committees, will prepare the statewide plans. The provision in the Senate amendment requiring committees is replaced in the conference substitute by a requirement for the establishment of State advisory councils on community colleges. These councils will have representation of appropriate interests and will make recommendations to the State Commissions on the preparation of the statewide plans. The conference substitute also gives State and local post-secondary education agencies opportunities to review and make recommendations with respect to the plans.

The provision in the Senate amendment requiring State plans for other education programs to be modified to conform to this new statewide plan has been dropped from the substitute.

Grants for community colleges.—The Senate amendment authorized a program of grants to assist States and localities in establishing and expanding community college systems. Appropriations of $50,000,000 for fiscal year 1973, $75,000,000 for fiscal year 1974, and $150,000,000 for fiscal year 1975 were authorized. Appropriations would be apportioned among the States on the basis of relative populations aged 18 and over. The Commissioner was authorized to make three types of grants: (1) establishment grants to new community colleges to assist in their planning, developing, and establishment; (2) expansion grants to existing community colleges to expand enrollments, establish new campuses, and expand and modify educational programs; (3) leasing grants to enable community colleges in connection with their establishment or expansion to lease facilities. In the case of establishment and expansion grants, the Federal share was not to exceed 40 percent of the project cost for the first year of assistance; 30 percent for the second year; 20 percent for the third year; and 10 percent for the fourth year. In the case of grants for leasing facilities, the Federal share was not to exceed 90 percent of the cost for the first year; 70 percent for the second year; 50 percent for the third year; 30 percent for the fourth year and 20 percent for the fifth year.

The conference agreement retains the Senate provisions, except that the Federal share for leasing grants will be 70 percent the first year, 50 percent the second year, 30 percent the third year, and 10 percent the fourth year.

Occupational Education Programs

The House amendment authorized a new program of grants to strengthen occupational preparation, counseling, and placement in elementary and secondary schools, and to improve postsecondary occupational education. For these purposes $100,000,000 was authorized

for fiscal year 1972, $250,000,000 for fiscal year 1973; $500,000,000 for fiscal year 1974; and such sums as may be necessary for each year thereafter. From the fiscal year 1972 funds, 80 percent would be allotted to the States and 20 percent would be reserved to the Commissioner for technical assistance. For each year thereafter the allotment and reservation would be 85 percent and 15 percent respectively. The State allotment would be determined by the number of persons sixteen years of age and older in each State relative to other States except that no State would receive less than $100,000 for fiscal year 1972 and no less than $1,000,000 each year thereafter. Any State wishing to receive funds was required to designate or establish a State agency to administer the program. Grants to the States were authorized in fiscal year 1972 for setting up State agencies and for comprehensive planning. Thereafter, grants to States would be for State agency expenses, planning, and actual operational costs of the program. The Secretary of Health, Education, and Welfare and Commissioner of Education were charged with specific responsibilities in develnopig and carrying out programs to promote occupational education.

The conference substitute retains the substance of the House provisions, but with alterations described below:

The House amendment required a comprehensive program of planning for the establishment and carrying out of the occupational education program. The State was required to designate a State agency which would be responsible for comprehensive planning. The conference substitute retains the planning requirements of the House amendment, but it requires that the State agency selected to do the planning be the State Commission established under section 1202. It also authorizes the Commissioner to make technical assistance available to these commissions for planning.

Appropriations are authorized in the amount of $100,000,000 for fiscal year 1973, $250,000,000 for fiscal year 1974, and $500,000,000 for fiscal year 1975.

Establishment of Agencies

Bureau of Occupational and Adult Education.—The Senate amendment created within the Office of Education a Bureau of Occupational, Career, and Adult Education headed by an Associate Commissioner responsible for the Office's vocational, occupational, adult, and continuing education programs. The House amendment created a Bureau of Occupational Education within the Office of Education responsible for all adult, vocational, and occupational education programs and manpower training programs within the Office of Education.

The conference substitute establishes within the Office of Education, a Bureau of Occupational and Adult Education. The new Bureau will have the responsibilities given it by both the Houses, which includes responsibility for career education. The substitute retains the authority granted by the Senate amendment with respect to the appointment of a limited number of persons to so-called supergrade positions.

Community college unit.—The Senate amendment provided for establishing in the Office of Education a Community College Unit to coordinate all programs in the Office of Education affecting junior colleges. It also authorized supergrade positions for the head of the Unit. The conference substitute adopts the Senate provisions.

Law School Clinical Experience Programs

Grant authority.—The Senate amendment, but not the House amendment, expanded the Commissioner's authority by authorizing grants as well as contracts. The House recedes.

Statement of purpose.—The Senate amendment, but not the House amendment, amended the title's statement of purpose, adding that the program authorized is intended to provide law students with experience, based on effective experimental programs, in dealing directly with the problems of the disadvantaged and other societal groups adversely affected by circumstances beyond their control. The Senate recedes.

Program authorized.—The Senate amendment, but not the House amendment, removed preference for programs providing clinical experience to students in the practice of law. Instead, it authorized student clinical experience programs in providing legal services and advice. The Senate recedes.

Authorized expenditures.—The Senate amendment, but not the House amendment, included library resources as eligible for Federal support. The House recedes.

Authorization of appropriations.—The Senate amendment extended the title for four years, through fiscal year 1975; the House amendment extended it for five years, through fiscal year 1976. Authorizations are as follows:

	Senate	House
Fiscal year:		
1972	$7,500,000	Such sums.
1973	7,500,000	Do.
1974	7,500,000	Do.
1975	7,500,000	Do.
1976		Do.

The conference agreement extends the program through fiscal year 1975 and authorizes $1,000,000 for fiscal year 1972, $5,000,000 for fiscal year 1973, and $7,500,000 for each of the two succeeding fiscal years.

Postsecondary Education Commission and Comprehensive Planning

The Senate amendment provided for the designation or creation by each State of a State agency (called a "State Commission") which would have two types of functions. First, the State Commission would perform the functions which present law assigns to certain existing State commissions; and in addition, as discussed above, these new State Commissions would, through committees, develop and adopt statewide plans for the expansion and improvement of postsecondary programs in community colleges. The second type of function which the new State Commissions would perform would be to carry out comprehensive planning for statewide postsecondary education systems.

The House amendment also provided for the designation or creation of a State agency or commission which would be directed to do com-

prehensive planning for statewide postsecondary education systems in generally the same manner as is provided under the Senate amendment. The House amendment did not, however, assign to the State Commissions the responsibilities assigned to State commissions by existing law. The House amendment did authorize the State Commissions to establish committees to develop and adopt a statewide plan for the expansion and improvement of community postsecondary education programs.

The conference substitute provides that States which wish to receive grants for comprehensive planning or for community college and occupational education programs provided under the newly created title X of the Higher Education Act must establish a State Commission or designate an existing agency or commission as the "State Commission". As in the case of State Commissions provided for under both the Senate and House amendments, it will be broadly representative of the public and public and private nonprofit and proprietary institutions of postsecondary education.

The conference substitute permits, but does not require, the State Commissions to use committees (which need not be composed entirely of Commission members) and other sources of expertise.

The conference substitute permits, but, unlike the Senate amendment, does not require, the State to designate the State Commission to perform the functions assigned by present law to State agencies or institutions. These provisions of the present Higher Education Act are title I (Community Service and Continuing Education Programs), section 603 (Equipment Grants), and section 704 (higher education facilities construction).

The conference substitute follows the House amendment in providing a separate program of grants for comprehensive planning.

Cost of Education Data

The Senate amendment required the Commissioner to prescribe national uniform standards for determining average per pupil costs to institutions for providing postsecondary education. He would then require as a condition for receipt of assistance under the Higher Education Act that the institution supply cost of education data determined in accordance with the national uniform standards. The House amendment had no comparable provision. The conference substitute adopts, in lieu of the Senate provision, a provision authorizing the Commissioner to require as a condition of eligibility for institutional at the earliest possible date or student aid prior to June 30, 1973 that the institution supply such cost of education data as may be in its possession.

VOCATIONAL EDUCATION

Special vocational education programs for the disadvantaged.—The Senate amendment authorized appropriations for three additional years through fiscal year 1975 at the fiscal year 1972 funding of $60,000,000 for special vocational education programs for the disadvantaged, for each year. There was no comparable House provision. The House recedes.

Definition of vocational education.—The Senate amendment amended the definition of vocational education in the Vocational Education Act

to include training for volunteer firemen and to include industrial arts programs where the Commissioner finds it appropriate. There were no comparable House provisions. The House recedes.

Extension of exemplary programs and projects.—The Senate amendment authorized appropriations for three additional years through fiscal year 1975 at the fiscal year 1972 funding level of $75,000,000 each year for vocational education exemplary programs and projects. There was no comparable House provision. The House recedes.

Authorization for residential vocational schools.—The Senate amendment authorized appropriations for three additional years through fiscal year 1975 with $75,000,000 authorized each year for demonstration residential vocational schools and $15,000,000 each year for grants to States to provide residential vocational facilities. There was no comparable House provision. The House recedes.

Consumer and homemaking education programs.—The Senate amendment authorized appropriations for three additional years through fiscal year 1975 at the fiscal year 1972 funding level of $50,000,000 for each year for consumer and homemaking education programs. There was no comparable House provision. The House recedes.

Cooperative vocational education.—The Senate amendment authorized appropriations for three additional years through fiscal year 1975 at the fiscal year 1972 funding level of $75,000,000 for each year for cooperative vocational education. There was no comparable House provision. The House recedes.

Work-study programs for vocational education students.—The Senate amendment authorized appropriations for three additional years through fiscal year 1975 at the fiscal year 1972 funding level of $45,000,000 each year for work-study programs for vocational education students. There was no comparable House provision. The House recedes.

Program of curriculum development in vocational and technical schools.—The Senate amendment authorized appropriations for three additional years through fiscal year 1975 at the fiscal year 1972 funding level of $10,000,000 for each year for program of curriculum development in vocational and technical schools. There was no comparable House provision. The House recedes.

National Advisory Council on Vocational Education.—The Senate amendment extended the authorization for an additional three years through fiscal year 1975 at the fiscal year 1972 funding level of $150,000 for each year for National Advisory Council on Vocational Education. There was no comparable House provision. The House recedes.

AMENDMENTS RELATING TO THE ADMINISTRATION OF EDUCATION PROGRAMS

Education Division.—The Senate amendment added a new part A to the General Education Provisions Act which established an Education Division within the Department of Health, Education, and Welfare and under the Commissioner of Education.

The Division was to be composed of the Office of Education, a National Foundation for Postsecondary Education, and the National Institute of Education. The House amendment had no comparable provision. The House recedes with an amendment to exclude the Senate provision for a National Foundation for Postsecondary Educa-

tion and an amendment to give the head of such Division the title of Assistant Secretary for Education. The amendment stipulates that the Assistant Secretary may not serve as Commissioner of Education or as Director of the National Institute of Education.

Duties of the Office of Education.—The Senate amendment restated the purpose of the Office of Education and limited its authority to that expressly provided by statute and provided that "nothing in this section, or any other provision of law, shall be construed to grant the the Office of Education any authority which is not expressly provided for by statute or implied therein." The House amendment contained no comparable provision. The House recedes with technical and clarifying amendments.

Management of the Office of Education.—(a) The Senate amendment established the position of Deputy Commissioner of Education to be appointed by the President with the advice and consent of the Senate. The House amendment had no similar provision. The Senate recedes.

(b) The Senate amendment provided that the Commissioner of Education was to be compensated at the rate of a Level IV in the Executive Schedule and that the Deputy Commissioner was to be compensated at the rate of a Level V in the Executive Schedule. The House amendment had no similar provision. The Senate recedes. The conference agreement described in "Education Division" above describes the details of the conference action.

(c) The Senate amendment created six additional positions within the OE at the GS–18 level. The House bill did not contain a comparable provision. The Senate recedes.

Amendments relating to the National Foundation for Postsecondary Education.—Senate amendment authorized a program of grants; to provide assistance for the design and establishment of innovative structures for providing postsecondary education and innovative modes of teaching and learning; to expand the ways and patterns of acquiring postsecondary education and to open opportunities for such education to individuals of all ages and circumstances; to strengthen the autonomy, individuality, and sense of mission of postsecondary educational institutions, and to support programs which are distinctive or of special value to American society; and to encourage postsecondary educational institutions to develop policies, programs, and practices responsive to social needs, and to provide an organization concerned with the rationalization of public policie toward postsecondary education. A National Foundation for Postsecondary Education was established to administer this program. The Foundation was to be subject to the general regulations of the Commissioner for its management. The Foundation is authorized to make grants to, and contracts with, institutions of higher education and other public and private educational institutions and agencies to improve postsecondary educational opportunities. A total of $250,000,000 was authorized for the Foundation for use during fiscal years 1973–1975. The House amendment had no comparable provisions.

The conferees agreed to the new grant authority, but not to the creation of a new Foundation. This authority is given to the Secretary of HEW. For purposes of this new program, the Secretary is given authority under the General Education Provisions Act to appoint advisory committees. It is expected that the Secretary will do so to assist in the policymaking and administration of this new program.

He also may appoint no more than five individuals, for terms not to exceed three years without regard to the provisions of title 5 of the United States Code, to administer this program.

There is authorized to be appropriated $10,000,000 for the fiscal year 1973, $50,000,000 for the fiscal year 1974, and $75,000,000 for the fiscal year 1975, for this new program.

The Secretary is required to send copies of each application for a grant received from institutions of higher education to the appropriate State Commission (established under section 1202 of the Higher Education Act as amended by this new Act), giving the State Commission a reasonable amount of time to submit any comments and recommendations it might have. The intent of this provision is to provide the Secretary additional information to help in the decision-making process of this program.

The conferees view this program as being important to the process of change in postsecondary education and to provide those extra funds which are necessary to bring about significant innovation and reform. As such, we do not see this program supplanting in any way funds which would otherwise be available to grant recipients from Federal, State or other sources.

Purpose of the National Institute of Education.—The House amendment declared it to be the policy of the United States to provide every person an equal opportunity to receive an education of high quality regardless of race, color, religion, sex, national origin, or social class. It further stated that the Federal Government has a clear responsibility to provide leadership in the conduct and support of scientific inquiry into the educational process. The Senate amendment had no statement of purpose for the National Institute of Education. The Senate recedes.

Organization of the National Institute of Education.—The Senate amendment provided that the National Institute of Education shall consist of a Director and a National Council on Educational Research responsible for general policies with respect to the powers, duties, and authorities of the Institute. The House amendment established a position of Director and a council which is advisory in nature. The House recedes.

The conference agreement adopted the Senate amendment which established a National Council on Education Research responsible for general policies related to the Institute's powers, duties and authorities. The conferees believe that both an independent Council with decision-making authority and a strong Directorship are needed to lead a vigorous Institute. It is intended that the Director of NIE have full responsibility for specific program policies and for the management of the Institute. The Council would establish overall policies leaving to the Director decisions about programs, initiatives, and funding.

During fiscal year 1973 the Council, along with the Director, will be developing policies and procedures for the NIE. To ensure continuity of programs previously operated by the OE, we expect the Director of the NIE during fiscal year 1973 to be responsible for providing direction and leadership to these programs and projects.

Reporting relationships of the National Institute of Education Director.—The Senate amendment provided that the National Institute of Education shall be subject to general regulations of the Commissioner promulgated for its management. The House amendment pro-

vided that the Director shall perform such duties as are prescribed by the Secretary of Health, Education, and Welfare and shall be responsible to the Secretary, and not to or through any other officer of Health, Education, and Welfare. The House amendment further prohibited the Director of the National Institute of Education from delegating any of his functions to any other officer who is not directly responsible to him. Senate recedes with conforming amendments, providing that the Director will report to the Assistant Secretary for Education.

Compensation of the Director.—The Senate amendment provided that the Director is to be compensated at the rate of an executive level V position; the House amendment provided that the Director is to be compensated at the same rate as the Commissioner of Education (currently an executive level V). The House recedes.

Deputy Director.—The Senate amendment created the position of Deputy Director at the salary level of a GS–18. The House amendment ment had no similar provision. The House recedes.

Creating additional GS positions.—The Senate amendment created three additional positions at the GS–18 level in the National Institute of Education. The House amendment had no similar provision. The Senate recedes.

Function of the National Institute of Education.—The functions of the National Institute of Education outlined in the House amendment and the Senate amendment are essentially the same, except that the House language expressly provides that "research" may be either basic or applied research and the Senate language specifically includes career education within the purview of "demonstrations in the field of education". Conferees agreed on language embodying both House and Senate provisions and to the language in the House Report describing the role of the National Institute of Education relating to dissemination.

The conferees intent is that the whole complex set of dissemination/utilization functions that are desirable in this area are a major responsibility of the National Institute of Education. This set of functions should include, but not be limited to, the present and proposed fiscal year 1973 activities of NCEC (the National Center for Educational Communication) such as the following: ERIC, PREP, Publishers Alert, the three pilot state dissemination centers, the program to identify and validate exemplary products and practices. These functions also should include other dissemination activities that might be tailored to the Institute's products and programs in the future. In the transfer of NCEC to the Institute, we feel that the Director must have the opportunity to evaluate and modify existing programs to conform with the mission, functions, and program thrust of the Institute. This range of functions will provide the Institute with an array of dissemination capabilities, from the single most significant machine information retrieval system to the present system of dissemination agents in the field, who work with states, local agencies and teachers to help them apply the best of current knowledge to their problems.

Because of the transfer by the conference report of NCEC to the Institute, the Institute will need those funds and positions previously related to the NCEC. However, it should be made clear that the Director of the Institute will have the right to choose all Institute employees regardless of their prior affiliation with NCEC. Therefore,

the present NCEC slots and appropriations requests should be considered integral to the Institute. Further, the conferees intend that dissemination activities be a separate line item in the Institute budget in order to protect against future encroachment on education R&D funds.

Obviously, the Office of Education must have the capability to disseminate information about its own programs and their results. The conferees expect, therefore, that the Office of Education will continue these functions with respect to the publication of information about specific categorical or formula grant programs that have been authorized by law. The conferees do not, however, intend that the Office of Education undertake the major responsibilities of dissemination, which are vested in the Institute. Joint dissemination activities are provided for in the appropriate section.

Expenditure of National Institute of Education funds.—The House amendment provided that not less than 90 per centum of the National Institute of Education's funds are to be expended through grants or contracts with qualified public or private agencies and individuals. The Senate amendment had no similar provision. The Senate recedes.

The conference agreement requires that in-house research should at no time comprise more than 10% of the total research program. To determine the application of the 90% and 10% ratio of program funds, we understand that the cost of administering the agency will be excluded from the determination of the percentage requirements.

Appointment of personnel outside of the Civil Service.—The Senate amendment allowed the Commissioner to give up to three-year appointments to professional and technical employees without regard to civil service laws, and full-time appointments to up to one-fifth of its regular technical or professional employees without regard to civil service laws. The House amendment required that officers and employees be appointed according to chapter 57 of title 5, United States Code. The House recedes.

General provisions.—The House amendment gave broad powers to the National Institute of Education to make rules and regulations; accept gifts; enter into contracts; acquire real and personal property; acquire, lease, and sell property; and use services, personnel, equipment, facilities, and so forth of other Federal agencies. The Senate amendment had no similar provisions. The Senate recedes.

Joint funding waiver authority.—The House amendment (1) provided that, where more than one Federal agency provides funds for a project, the National Institute of Education may act for all agencies in administering the funds advanced and (2) allowed other participating agencies to waive any technical grant or contract requirement which is inconsistent with similar requirements of the National Institute of Education or requirements which the National Institute of Education does not impose. There were no comparable Senate provisions. The Senate recedes on item (1) and the House on item (2).

Authorization of appropriations.—The House amendment and the Senate amendment authorized appropriations for the National Institute of Education at the following levels.

Senate amendment.—$550,000,000 in the aggregate for use during fiscal years 1973, 1974, and 1975. The House recedes.

House amendment.—"Such sums as necessary" for fiscal year 1972 and for each year thereafter. The House recedes.

Amendments repealing certain sections of the Cooperative Research Act.—The Senate amendment repealed sections 2 and 3 of the Cooperative Research Act, effective July 1, 1972. The House amendment had no similar provision. Senate recedes with amendments to extend the Cooperative Research Act through June 30, 1975. Section 2 of such Act is amended to include the language in the Senate provision relating to dissemination of information, surveys, exemplary projects. Authorizations are $58 million for fiscal year 1973; $68 million for fiscal year 1974 and $78 million for fiscal year 1975.

The conference foresees a limited use of the Cooperative Research Act because of the creation of the new National Institute of Education. The specific dollar authorizations reflect what the conference determines to be legitimate functions of the Office of Education. We are especially concerned that its traditional function of providing the Nation with accurate, timely and useful information and statistics about education in our country be strengthened. We expect, in accordance with information supplied by the Department of HEW, that no less than $14.9 million under the Cooperative Research Act will be spent on this function in fiscal year 1973.

It is the intention of the conferees that of the $58,000,000 authorized to be appropriated for fiscal year 1973 approximately $12,000,000 to support the Right to Read program; $17,000,000 for educational technology (including the "Sesame Street" and "Electric Company" programs) and $14,000,000 for demonstration models of career education.

The stated figures are to be viewed as maximum amounts for fiscal year 1973.

General Education Provisions Act.—(a) For fiscal years 1973, 1974, and 1975, the Senate amendment authorized the Commissioner to make grants to and contracts with public and private organizations for the dissemination of information, for surveys, for exemplary projects in the field of education, and for conduct of studies related to the management of the Office of Education. No more than $25,000,000 is authorized to be appropriated pursuant to section 401(c) of the General Education Provisions Act (salaries and expenses) for these activities for any year. There was no comparable House provision. The Senate recedes, but as explained above the new language in the Cooperative Education Act provides for these activities

(b) Further the Senate amendment prohibited unauthorized program consolidation and limitation on appropriations not specifically authorized by law and created within the Office of Education a Bureau of Elementary and Secondary Education which shall have divisions of: Compensatory Education, Bilingual Education, School Assistance in Federally Affected Areas, Assistance to States. There was no comparable House provision. House recedes with amendments which clarify and reduce to some extent the scope of the Senate provisions prohibiting certain practices in the Office of Education. The Senate recedes on that portion of this item which would have created in the Office of Education a Bureau of Elementary and Secondary Education.

The Senate amendment contained a provision which specifically prohibits unauthorized program consolidation and unauthorized limitations on the use of appropriations. The conference report contains this provision from the Senate amendment, with two modifications:

(1) Clause (iii) of subparagraph (C) of the proposed section 421(c)(1) is modified to make clear that the Commissioner's author-

ity under present law with respect to normal administrative procedures under existing education programs is not diminished. The modification of such clause is also intended to make clear that criteria governing the approval of applications may be derived by reasonable implication in the law, and such authority need not be stated expressly. It is the intention of the conferees that the basis for criteria for the approval of applications must be found in statutory law, and that criteria for which there is no such basis may not be used in the approval of applications.

(2) The second modification of this amendment changes the language of clause (iv) of such subparagraph (C). This modification consists of the inclusion of language designed to make clear that the Office of Education can not as a matter of general policy make the approval of applications under one program dependent on the approval of applications under another program. This does not preclude, however, any action on the part of the Commissioner to make an individual application under one program dependent upon the approval of an individual application under another program, if both applications come to the Commissioner from a single local educational agency.

This latter procedure is permitted on the basis of a project-by-project evaluation by the Commissioner, from which the Commissioner determines that the statutory purpose of both programs from which the appropriations are to be drawn is enhanced if their approval is joined.

The conference committee adopted a further clarifying provision which is a new sentence in subparagraph (A) of section 421(c)(1). The new sentence provides that where the provisions of law governing the administration of applicable programs permit the packaging or consolidation of applications for grants and contracts, if such procedure is for the purpose of attaining simplicity or effectiveness of administration, nothing in subparagraph (A) shall be determined to interfere with such packaging or consolidation. The conferees added this sentence in order to make clear that subparagraph (A) does not prohibit consolidation where it is specifically authorized by law. However, the conferees do not intend that this additional sentence be construed to grant the Office of Education any authority which is not already provided in existing law.

The Senate amendment contained a provision which would have established a Bureau of Elementary and Secondary Education within the Office of Education. The Conference Report does not contain such a provision.

The Senate agreed to recede from its amendment on the subject of the Bureau of Elementary and Secondary Education, after the conferees were assured by the Secretary of Health, Education, and Welfare that the Bilingual Education Program, which was intended by the Department to be in a bureau other than of elementary and secondary education, would by the end of May be transferred to the Bureau of Elementary and Secondary Education with divisional status.

(c) Specific new authority is granted in the Senate bill for an educational renewal site strategy for reform of education and for funding of the "Right to Read" program. There is no comparable House provision. The Senate recedes.

In rejecting the Senate language providing new authority for educational renewal, we do not wish to make any judgment as to the

merits of "educational renewal" at this time. However, we intend to make clear that in our view inadequate authority exists at this time to provide a legal basis for carrying out the renewal program. If the Department wishes to proceed with the Renewal concept, the Committee invites submission of appropriate legislation in order that it may be considered.

Evaluation of Office of Education programs.—The House amendment provided that upon request of a congressional committee having legislative jurisdiction, or upon request of a member of such committee, the Comptroller General shall conduct studies of existing education statutes and regulations; review the policies and practices of Federal administering agencies; review the evaluation procedures adopted by the agencies; and evaluate particular projects or programs. The Comptroller General would collect necessary data and report his findings back to the Congress, with his recommendations. Special attention was to be given to the practice of private contracting with firms, organizations, and individuals for studies and services, and the Comptroller General was directed to report his findings regarding contracting to appropriate agencies and the Congress regarding their effectiveness in serving the intent of educational legislation. The House amendment provided for the authorization of such sums as may be necessary to carry out the provisions of this title. There were no comparable Senate provisions. The Senate recedes.

INDIAN EDUCATION

The Senate amendment added a new title to the Act of September 30, 1950 (P.L. 81–874), school assistance in federally affected areas, to provide financial assistance to local educational agencies for elementary and secondary education programs to meet the special educational needs of Indian children. The amount of the grant to which a local educational agency would be entitled would be equal to the average per pupil expenditure multiplied by the number of Indian children enrolled in the agency as determined by the Commissioner. The Senate amendment also authorized the Commissioner to make grants for projects designed to test the effectiveness of programs for improving Indian educational opportunities; programs to provide educational services not available to Indian children in sufficient quality or quantity; training programs for educational personnel; and for dissemination and evaluation of the results of federally assisted programs. The amendment authorized $25,000,000 for fiscal year 1973 and $35,000,000 for each of the two succeeding fiscal years for such purposes. The Senate amendment extended the present set-asides for Indian education in the ESEA through fiscal year 1973.

The Senate amendment amended the Adult Education Act by authorizing pilot and demonstration projects, research, evaluation, and operation of adult education programs for Indians. For the purpose of making these grants, $5,000,000 would be authorized for fiscal year 1973 and $8,000,000 for each of the two succeeding fiscal years.

The Senate amendment provided for the establishment of a bureau level Office of Indian Education. The Office, headed by a Deputy Commissioner, would administer the provisions of this new title. It also created a National Advisory Council on Indian Education consisting of 15 members appointed by the President. The National

Council would furnish a list of nominees from which the Commissioner would be required to select the Deputy Commissioner created by this part. The National Council would also advise the Commissioner, review and evaluate programs, and provide technical assistance to local educational agencies and Indian organizations.

The Senate amendment, expanded the Commissioner's appraisal of education personnel needs to include such needs in Indian education. The Senate amendment created a 5 per centum set-aside from part D of the Education Professions Development Act for the in-service and preservice training of persons serving as teachers in schools for Indian children operated by the Department of the Interior.

The conferees agreed to all the Senate's provision with an amendment requiring that preference be given to Indians in the training programs.

The House receded to the Senate provision regarding Indian education on the condition that in the administration of the newly authorized programs priority in funding would be given whenever possible to applications submitted by public and private nonprofit schools owned or operated by Indian tribes or Indian educational organizations.

MISCELLANEOUS

Administration of Office of Education programs and projects.—The Senate amendment added a new subsection to the General Education Provisions Act setting forth a series of requirements relating to program administration, maintenance of effort, evaluation, fiscal control, fund accounting, and reporting, which are to be applicable with respect to any application for assistance under any program to which the Commissioner determines the new subsection should apply. The conference agreement adopts this provision except those portions relating to maintenance of effort and evaluation.

Title III of the National Defense Education Act.—The Senate amendment extended title III of the National Defense Education Act through fiscal year 1975 at the current authorization level. The House amendment extended the title through fiscal year 1976 at the current authorization level. The conferees agreed to extend the program through fiscal year 1975.

Study and report on rules and regulations.—The Senate amendment required the Commissioner to conduct a special study of the rules, regulations, and guidelines affecting education programs and to make a report on such study no later than one hundred and twenty days after enactment of the Act and to republish them in the Federal Register no later than one hundred and fifty days after enactment of the Act. There was no comparable House provision. The House recedes with amendments extending the periods of time given to the Commissioner of Education to comply with these provisions.

The conferees wish to make it clear that the requirement imposed by section 503(d) that the Commissioner republish all rules, regulations, guidelines, interpretations, and orders in the Federal Register no later than 485 days after the enactment of the Act is intended to provide a single reference point for all such material. It is not intended to preclude his publication of such material during such period as his study of any single program is completed.

Ethnic Heritage program.—The Senate amendment added a new title to the Elementary and Secondary Education Act authorizing grants for Ethnic Heritage Studies Centers. These Centers would develop and disseminate curriculum materials, and encourage and promote activities related to ethnic heritage studies. Grants would be made to nonprofit public or private educational agencies, institutions, or organizations. Applicants were required to consult with a local advisory council composed of representatives of ethnic groups and cultural and educational resources from the area to be served. A National Advisory Council on Ethnic Heritage Studies, appointed by the Secretary, was established to assist and advise the Commissioner in coordinating the program. Appropriations of $10,000,000 for fiscal year 1972 and $20,000,000 for fiscal year 1973 were authorized. Funds were to be used for establishing, equipping, and operating centers, but not for construction. There were no comparable House provisions. The House recedes making the following modifications in the Senate provisions.

(1) Deleting the authorization for fiscal year 1972 and reducing the fiscal year 1973 authorization to $15,000,000.

(2) The reference to "centers" throughout the amendment was deleted. Rather, there will be grants made for projects.

CONSUMERS' EDUCATION

Consumers' education program. The Senate amendment, but not the House amendment, amended title VIII of the Elementary and Secondary Education Act by adding a new section which would (1) provide for a Director of Consumers' Education in the Office of Education to coordinate consumers' education activities in the Office of Education and administer a consumers' education program; and (2) authorize grants for such activities as the development of curricula (including interdisciplinary curricula) in consumer education; dissemination of information relating to such curricula; in the case of grants to State and local educational agencies and institutions of higher education, for the support of education programs at the elementary and secondary and higher education levels; and preservice and inservice training programs and projects (including fellowship programs, institutions, workshops, symposiums, and seminars) for educational personnel to prepare them to teach in subject matter areas associated with consumer education. For these purposes, $20,000,000 is authorized for fiscal year 1973, $25,000,000 for fiscal year 1974, and $35,000,000 for fiscal year 1975. The House recedes, except that the provisions establishing a GS–17 position for the Director has been eliminated.

Assistance to the College of the Virgin Islands and the University of Guam.—The House amendment authorized a lump sum appropriation of $3,000,000 for each for the College of the Virgin Islands and the University of Guam to be used as an endowment. In addition, the House amendment authorized an annual appropriation of $450,000 for each institution. The Senate amendment provided land grant status to the College of the Virgin Islands and the University of Guam, with (a) an endowment grant in lieu of land and (b) conforming amendments to a number of Acts under which Land Grant institutions receive annual appropriations. The Conference agreement retains the House provision with respect to endowment grants and the Senate conforming amendments relating to Land Grant status for such institutions. The Senate amendments are modified, however, so as to

provide an annual authorization in this Act equivalent with that provided under the Senate amendments.

Migratory children.—(a) The Senate amendment required the Commissioner of Education to establish criteria for the allocation of title I Elementary and Secondary Education Act funds for the education of migrant children after considering areas of the State which have the highest concentration of migrant children. There was no comparable House provision. The Senate recedes with the understanding that the Commissioner will study the extent to which children of migratory workers are provided for under title I, Elementary and Secondary Education Act.

(b) The Senate amendment amended title I Elementary and Secondary Education Act to include preschool programs especially for migrant children, provided that funds for the operation of such programs will not be detracted from other programs already authorized. There was no comparable House provision. The House recedes.

(c) The Senate amendment further amended title I Elementary and Secondary Education Act so as to give priority for programs serving children who are presently migrant. There was no comparable House provision.

(d) The Senate amendment required the Commissioner of Education to conduct a study of the operation of title I, Elementary and Secondary Education Act with respect to the education of migratory workers and to report the results of such study. There was no comparable House provision. The House recedes.

Neglected or delinquent children.—The Senate amendment expanded the title I Elementary and Secondary Education Act program of assistance for neglected and delinquent children to include children in adult correctional institutions. There was no comparable House provision. The House recedes.

National Commission on School Finance.—The Senate amendment increased the number of members on the Commission from fifteen to eighteen. There was no comparable House provision. The Senate recedes.

Youth camp safety.—The Senate amendment established a Youth Camp Safety Program designed to protect the health and safety of youth attending day camps. There was authorized $30,000,000 for each of the next six fiscal years, that is, through fiscal year 1977, to pay up to 50 per centum of the cost of approved State plans. The House amendment required the Secretary of Health, Education, and Welfare to report by January 1, 1973, to the Congress on existing conditions in youth camps and the need for Federal standards and authorized $300,000 for such purpose. The Senate recedes with an amendment requiring the Secretary of HEW to report by March 1, 1973.

PROVISIONS NOT INCLUDED

Amendments allowing waiver of matching requirements in certain cases.—The House amendment allowed the Commissioner to waive matching requirements for institutions of higher education in accordance with regulations establishing objective criteria for a determination that such action is required in furtherance of the purpose of the applicable program. The House recedes.

Puerto Rico, Guam, and the Virgin Islands.—The House amendment but not the Senate amendment amended the following programs so as

to treat Puerto Rico, Guam, and the Virgin Islands as States for the purpose of distributing funds: Titles I, V, and VI of the Higher Education Act of 1965; the Higher Education Facilities Act; titles II and III of the National Defense Education Act; and titles II, III, and V of the Elementary and Secondary Education Act. House recedes. The conferees had inadequate date to evaluate the impact of this proposal and strongly urge that the Secretary of HEW undertake a study to determine how best to treat Puerto Rico, Guam, and the Virgin Islands in present and future legislation, especially thost statutes containing formulas for allotment of funds.

EMERGENCY SCHOOL ACT

Short title.—The House amendment cited this title as the "Emergency School Aid Act of 1971." The Senate amendment cited this title as the "Emergency School Aid and Quality Integrated Education Act of 1971." The conference substitute provides that the title may be cited as the "Emergency School Aid Act".

Findings.—The Senate amendment contained a congressional finding that the process of establishing and maintaining stable, quality, integrated schools and eliminating minority group isolation improves the quality of education for all children and often involves the expenditure of additional funds to which local educational agencies do not have access. The House amendment contained no comparable provision. The conference substitute retains the Senate provision but rephrases the reference to the improvement of the quality of education as another process (in addition to eliminating minority group isolation) requiring additional funding and deletes the reference to stable, quality, integrated schools.

Purpose.—The House amendment stated the purpose of the title as providing financial assistance to meet the special needs incident to desegregation and to encourage voluntary integration. The Senate amendment stated the purpose as encouraging comprehensive planning for the elimination of minority group isolation, as providing financial assistance to establish stable, quality, integrated schools, as assisting in eliminating minority group isolation, and as aiding schoolchildren in overcoming the educational disadvantages of minority group isolation. The conference substitute retains the House provision with the one addition of the Senate reference to aiding schoolchildren in overcoming the educational disadvantages of minority group isolation.

Policy with respect to the application of certain provisions of federal law.—The House amendment stated the policy of the United States that guidelines and criteria established pursuant to this title shall be applied uniformly in all regions of the United States in dealing with conditions of segregation by race in the schools of the local educational agencies of any State without regard to the origin or cause of such segregation. The Senate amendment stated the policy of the United States that guidelines and criteria established pursuant to Title VI of the Civil Rights Act, section 182 of the Elementary and Secondary Education Amendments of 1966, and this title shall be applied uniformly in all regions of the United States in dealing with conditions of segregation by race whether de jure or de facto in the schools of the local educational agencies of any State without regard to the origin or cause of such segregation. The conference substitute retains both the Senate and House provisions but deletes the reference in the

Senate amendment to this title. The conference substitute's version of the Senate provision, therefore, restates the policy contained in section 2(a) of Public Law 91–230 and in no way supercedes subsection (b) of such section.

Administration.—The House amendment provided for administration of the program by the Secretary of Health, Education, and Welfare. The Senate amendment provided for the administration by the Commissioner of Education. The conference substitute vests authority for the administration of this program in the newly created Assistant Secretary of Health, Education, and Welfare for Education.

Appropriations.—The House amendment authorized appropriations of $500 million for fiscal year 1972 and $1 billion for fiscal year 1973. The Senate amendment authorized $500 million from the period beginning with the enactment of this title and ending June 30, 1973 and $1 billion for fiscal year 1974. The conference substitute contains the House provision for fiscal year 1973 and the Senate provision for fiscal year 1974.

Reservations of appropriations.—Both the House amendment and the Senate amendment reserved at least 4% of the total appropriations for bilingual education programs. In addition to this reservation the House amendment reserved 6% of the appropriations to the Secretary for evaluations and for special programs. The Senate amendment reserved 15% of the appropriations for metropolitan area projects, not less than 3% for educational television, 8% for special programs, and 1% for evaluation. The Senate amendment further reserved, from the amounts apportioned to the States, not more than 22% for compensatory education programs and not less than 15% for grants and contracts with private non-profit and public agencies. The conference substitute retains the 4% reservation for bilingual education, retains the House's 6% for special programs and for evaluation, adopts the Senate reservation of 3% for educational television, reduces the Senate reservation for metropolitan projects to 5%, and reserves 8% of the total appropriations for private groups. The conference substitute reserves not more than 15% of the total appropriation, from the amounts for compensatory education to be apportioned among the States.

Allotments among States.—The House amendment allotted 90% of the appropriations among the States by allotting each State $100,000 plus an amount based upon its relative number of minority group children. The Senate amendment apportioned unreserved funds among the States according to their relative number of minority group children, except that no State would receive less than $100,000. Portions of each State's apportionment were reserved for compensatory education and private groups. The conference substitute reduces the initial amount apportioned to $75,000 per State and retains the Senate guarantee of a minimum of $100,000 per State. It also reduces the funds apportioned to conform with the additional reservations of appropriations.

Reallotment.—The Senate amendment, but not the House amendment, provided that the portion of each State's apportionment reserved for private groups must be used solely for that purpose in any reapportionment of funds. The House amendment, but not the Senate amendment, provided that the Secretary could not reallot funds earlier than 60 days prior to the end of the fiscal year. The conference substitute retains both the Senate and House provisions.

Eligibility for assistance.—The House amendment, but not the Senate amendment, included as eligible for assistance school districts implementing plans undertaken pursuant to a final order of any State agency or official of competent jurisdiction. The conference substitute retains the House provision.

The House amendment included as eligible for assistance to prevent minority group isolation school districts with schools having an enrollment of at least 10% but not more than 50% minority group students. The Senate amendment contained the same category of eligibility but specified a minimum minority group enrollment of 20% and did not specify any upper limit. The conference substitute retains the Senate provision with a maximum limit of 50% minority group students.

The Senate amendment, but not the House amendment, provided that applicant school districts in order to be eligible must establish at least one stable, quality, integrated school and must have adopted a comprehensive district-wide plan for the elimination of minority group isolation to the maximum extent possible in all schools of such agencies. The conference substitute does not contain the Senate provision.

The House amendment included as eligible school districts voluntarily enrolling and educating children who would not otherwise be eligible for enrollment because of non-residence. The Senate amendment authorized grants to local educational agencies for interdistrict projects within standard metropolitan statistical areas. The conference substitute retains the Senate provision and also the House provision.

The House amendment provided that a school district, a majority of whose students are minority group students, may apply for assistance if it established or maintanined at least one school, the enrollment of which may be up to 70% non-minority. The Senate amendment contained the same category of eligibility but specified 60% non-minority enrollment. The conference substitute specifies this percentage at 65%.

The House amendment authorized grants for compensatory education to school districts applying for funds under section 706(a) with 15,000 minority students and 50% minority enrollment. The Senate amendment contained the same provision for such districts but permitted the minority enrollment to be either 15,000 or 50%. The conference substitute retains the Senate provision.

Grants or contracts with private non-profit or public agencies.—The House amendment provided that the Secretary may assist by grant or contract any public or private non-profit agency (other than a local educational agency) to carry out programs designed to support the development or implementation of an eligible plan or activity. The Senate amendment contained similar grants and contracts but expressly excluded grants to non-public elementary and secondary schools and did not require that every grant and contract must be designed to carry out programs in support of an eligible local educational agency's plan or activity. The conference substitute contains both provisions, but limits the Senate provision to grants and contracts to carry out programs disigned to support the development or implementation of an eligible plan or activity. One-half of the sums reserved for this purpose are to be used for grants and contracts under authority of the Senate provision and one-half under authority of the House provision.

Ineligibility for assistance.—The Senate amendment, but not the House amendment, barred assistance to school districts for transfers of property to private schools if the district knew or reasonably should have known that the transferee was a private school and if the district did not make a prior determination that such private school was not operated on a segregated basis. The conference substitute retains the Senate provision.

The Senate amendment, but not the House amendment, barred as ineligible any school district which had in effect a discriminatory policy against minority group employees if such policy has resulted in the disproportionate demotion or dismissal of such employees. The conference substitute does not contain the Senate provision.

The Senate amendment, but not the House amendment, excluded from the prohibition against separation of minority group children from non-minority group children bona fide ability grouping used as a standard pedagogical practice. The conference substitute retains the Senate provision.

Waivers of ineligibility.—The Senate amendment, but not the House amendment, required school districts which had received assistance under the temporary Emergency School Assistance Program to submit a special application containing additional information if they wanted to receive a waiver of ineligibility for prohibited conduct. The conference substitute does not contain the Senate provision.

The Senate amendment, but not the House amendment, required that all waivers of ineligibility be approved only by the Secretary, that the Secretary may not approve an application for assistance without first determining that the applicant is not ineligible, and that notice of intention to grant a waiver be given to the appropriate Congressional committees at least 30 days before approval of such a waiver. The conference substitute contains the Senate provision but reduces the time period before a waiver can be granted to 15 days.

Authorized activities.—The Senate amendment, but not the House amendment, limited its list of authorized activies to only nine specific activities but excluded from this restriction grants for metropolitan area projects, the Assistant Secretary's special programs, bilingual education, educational television, and grants to private groups. The conference substitute contains the Senate provision.

The House amendment, but not the Senate amendment, authorized the provision of additional professional and other staff. The Senate amendment, but not the House amendment, authorized in-service teacher training and the recruiting, hiring, and training of teacher aides. The conference substitute contains both the Senate and House provisions.

The Senate amendment, but not the House amendment, authorized the acquisition of instructional materials and the offering of courses in the language and cultural heritage of minority groups. The conference substitute contains the Senate provision. The House amendment, but not the Senate amendment, authorized educational programs using shared facilities. The conference substitute contains the House provision.

The House amendment, but not the Senate amendment, authorized innovative interracial educational programs. The conference substitute contains the House provision, but the managers want to make

clear to the Department that it is to exercise great care in approving funding for this type of program so that frivolous projects are not funded under the guise of attempts to achieve integration or desegregation.

The Senate amendment, but not the House amendment, required that repair or minor remodeling may not exceed 10% of any school district's grant. The conference substitute contains the Senate provision.

The Senate amendment, but not the House amendment, stated in the authorized activities section that funds appropriated would be available for grants to local educational agencies implementing court-ordered plans of desegregation. The conference substitute does not contain this provision. Districts implementing court-ordered plans of desegregation are clearly eligible for assistance under section 706(a) of the conference substitute.

Criteria for approval.—The Senate amendment, but not the House amendment, required that prior to approval of an application the Secretary had to determine that the comprehensive districtwide plan submitted by the applicant must be reasonably expected to eliminate minority group isolation to the maximum extent possible in all schools of the applicant and that the funding for the stable, quality, integrated schools must be at a sufficient level. The conference substitute does not contain the Senate provision.

The Senate amendment, but not the House amendment, required that the Secretary must approve first those applications which place the largest numbers and the greatest percentages of minority children in stable, quality, integrated schools. The conference substitute does not contain this provision.

The House amendment, but not the Senate amendment, required that the Secretary must consider only six factors before he approves an application. The conference substitute contains the House provision.

The House amendment, but not the Senate amendment, specifically barred the Secretary from giving less favorable consideration to the application of a school district voluntarily adopting a plan of integration than to that of a school district legally required to adopt such a plan. The conference substitute contains this provision.

Applications.—The Senate amendment, but not the House amendment, required that all applications and related documents must be made readily available to the public. The conference substitute contains this provision.

The Senate amendment, but not the House amendment, restricted its requirements concerning applications to those submitted by local educational agencies. The conference substitute contains the Senate provision, but the managers want to make clear that the Assistant Secretary must publish regulations regarding all his requirements for all other applications.

The House amendment required applicants to make assurances concerning their activities in the projects to be funded and to provide other information. The Senate amendment required specific information from the applicants concerning their conduct and required periodic reports. The conference substitute contains the Senate provision.

The Senate amendment, but not the House amendment, forbade supplanting of local or State funds by funds provided under this title. The conference substitute contains the Senate provision.

The Senate amendment required funds under this program to be coordinated with funds provided under other Federal programs. The conference substitute contains the Senate amendment, but the managers would like to make clear their intention that if any doubt arises in the interpretation of this provision it is superseded by the amendments to the General Education Provisions Act contained elsewhere in this act.

The Senate amendment required applicants to use funds provided under this title for implementation of their comprehensive districtwide plans and for the establishment of stable, quality, integrated schools. The House amendment required that applicants provide assurances that they will comply with the plans upon which their eligibility is determined. The conference substitute contains the House provision.

The Senate amendment, but not the House amendment, required that an additional amount of sufficient magnitude must be spent on students under these programs in order to assure that funds will not be dispersed and that the applicants will submit information insuring that the funds available under the title will be used solely to pay the additional costs of carrying out the plans. The conference substitute contains both these provisions.

The Senate amendment, but not the House amendment, required that every local educational agency applying for funds must establish a committee to consider the application for funds and to be involved in the operation of the program. The Senate amendment barred approval of any application by the Commissioner unless it is accompanied by a detailed written statement of approval or disapproval by this committee. The conference substitute does not contain this latter requirement.

The Senate amendment, but not the House amendment, forbade States from reducing the amount of State aid paid to local educational agencies under this program. The conference substitute contains this provision.

The House amendment, but not the Senate amendment, required that the Assistant Secretary must notify each local educational agency whose application has been rejected of the reason for his disapproval and to afford the agency a reasonable time to modify its application. The conference substitute contains the House provision and requires the Assistant Secretary to provide an appropriate opportunity to the applicant to modify its application.

Special programs.—The House amendment provided that from the funds reserved to him for this purpose the Secretary could fund special programs in local educational agencies including special bilingual educational programs. The Senate amendment provided that from these funds the Commissioner could make grants to and contracts with State and local educational agencies and with other public and private nonprofit agencies for special programs. The conference substitute contains the Senate provision but deletes the authorization to make grants to and ontracts with private nonprofit agenc.es.

Metropolitan area projects.—The Senate amendment, but not the House amendment, provided that from the funds reserved to him for this purpose the Commissioner could make grants for inter-district projects, for Standard Metropolitan Statistical Area planning, and for education parks. The conference substitute contains the Senate pro-

vision but restricts the definition of education parks to those providing education from the 7th grade through the 12th grade. The managers, however, would urge districts receiving these grants to provide education beyond the 12th grade in these parks. The conference substitute specifically deletes the requirement that grants to be made for education parks providing pre-school and elementary education.

Educational television.—The Senate amendment, but not the House amendment, provided for an educational television program. The conference substitute contains the Senate provision.

Payments.—The House amendment, but not the Senate amendment, provides for a by-pass for the benefit of children in private non-profit schools when State law forbids their participation in programs funded under this title. The conference substitute contains this provision.

Definitions.—The House amendment, but not the Senate amendment, defined "State" as including Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands for the purpose of receiving grants for the Assistant Secretary's special programs. The conference substitute contains the House provisions.

The Senate amendment, but not the House amendment, included a definition of general applicability of the term "integrated school." The conference substitute does not contain this definition.

The House amendment, but not the Senate amendment, included among the groups affected by this title Alaskan natives and Hawaiian natives. The Senate amendment, but not the House amendment, included Portuguese among these groups. The conference substitute contains both the Senate and the House provisions.

Evaluations.—The House amendment authorized evaluations to be conducted either directly by the Assistant Secretary or by grant or contract. The Senate amendment only authorized grants and contracts to public and private agencies for evaluation. The conference substitute contains the Senate provision.

Attorney fees.—The Senate amendment, but not the House amendment, authorized the payment of attorneys fees to successful plaintiffs in suits brought for violation of this title, Title VI of the Civil Rights Act, or the fourteenth amendment to the Constitution. The conference substitute contains this provision.

Use of Funds for Transportation.—The House amendment, but not the Senate amendment, forbade use of any funds provided under this title for transportation services. The conference substitute does not contain this separate provision in light of the conference action on similiar provisions of broader applicability, as discussed later.

Neighborhood schools.—The House amendment, but not the Senate amendment, required that nothing in this title could be construed as requiring any local educational agency which assigns students to schools on the basis of geographic attendance areas drawn on a racially nondiscriminatory basis to adopt any other method of student assignment whether or not the use of such geographic attendance areas results in the complete desegregation of the schools of such agency. The conference substitute contains the House provision except for the reference to whether or not the use of such areas results in the complete desegregation of the schools of such agency.

GENERAL PROVISIONS RELATING TO ASSIGNMENT OR TRANSPORTATION OF STUDENTS

Use of funds for transportation.—(a) The Senate amendment provided that no provision of the Senate bill shall be construed to require the assignment or transportation of students or teachers in order to overcome racial imbalance. There was no comparable House provision. The House recedes.

(b) The House amendment amended the General Education Provision Act to provide that no funds appropriated for the purpose of carrying out any applicable program may be used for the transportation of students or teachers (or for the purchase of equipment for such transportation) in order to carry out a plan of racial desegregation of any school or school system. The Senate amendment contained an identical prohibition but provided an exception "on the express written request of appropriate local school officials" and added a proviso that no court or officer of the United States shall order the making of such a request and no funds shall be available for transportation when time or distance of travel is so great as to risk the health of the children or significantly impinge on the educational process. The conference agreement does not amend the General Education Act, but contains the language of the House amendment, which following exception: "on the express written voluntary request of appropriate local school officials" and adds a further limitation to that exception by requiring that no funds shall be available for transportation when the time or the distance of travel is so great as to risk the health of the children or significantly impinge on the educational process and adds a further limitation that the educational opportunities available at the school to which it is proposed that such student be transported must be substantially inferior to those offered at the school to which the student would otherwise have been assigned.

(c) The House amendment provide that no officer or employee of the Department of Health, Education, and Welfare (including the Office of Education) or of any other Federal agency shall, by rule, regulation, order, guideline, or otherwise, (1) urge, persuade, induce, or require any local educational agency, or any private nonprofit agency, institution, or organization, to use any funds derived from any State or local sources for any purpose for which Federal funds appropriated to carry out any applicable program may not be used, as provided in this section, or (2) condition the receipt of Federal funds under any Federal program upon any action by any State or local public officer or employee which would be prohibited by clause (1) on the part of a Federal officer or employee. Almost identical language appears in the Senate amendment modified as follows: (1) The Department of Justice is specifically mentioned and (2) the prohibited activities innumerated in clause (1) are permitted if constitutionally required. In addition, the Senate amendment prohibited any officer of any Federal agency from urging, persuading, inducing or requiring any local educational agency to undertake transportation of any students where the time or distance of travel is so great as to risk the health of the child or significantly impinge on his or her educational process; or where the educational opportunities available at the school to which it is proposed that such student be transported will be substantially inferior to those offered at the school to which such student would otherwise be assigned under a nondiscriminatory

system of school assignments based on geographic zone established without discrimination on account of race, religion, color, or national origin. The House recedes.

Court appeals.—The House amendment provided that notwithstanding any other law or provision of law, in the case of any order on the part of any United States district court which requires the transfer or transportation of any student or students from any school attendance area prescribed by competent State or local authority for the purposes of achieving a balance among students with respect to race, sex, religion, or socioeconomic status, the effectiveness of such order shall be postponed until all appeals in connection with such order have been exhausted or, in the event no appeals are taken, until the time for such appeals has expired. An identical provision was contained in the Senate bill but is applicable only to court orders requiring transportation of students between local educational agencies or consolidation of two or more such agencies. The Senate amendment provides that the section shall expire at midnight on June 30, 1973.

The conference agreement contains the precise language of the House amendment and provides that this section shall expire midnight January 1, 1974. This section does not authorize the reopening of final orders, however, appealable orders are considered to be within the scope of this amendment. The conferees are hopeful that the judiciary will take such action as may be necessary to expedite the resolution of the issues subject to this section.

Amendments authorizing intervention in court orders.—The Senate amendment, but not the House amendment, provided that a parent or guardian of a child transported to a public school in accordance with a court order to seek to reopen or intervene in the further implementation of such order, currently in effect, if the time or distance of travel is so great as to risk the health of the student or if the effect of the order is alleged to be significantly to impinge on the quality of his or her educational process. Such right of intervention shall extend to intervention as a class in respect of such busing plan on behalf of such student and all other students similarly affected thereby.

The conference agreement contains the substance of the Senate amendment. The language relating to time or distance of travel was conformed to be identical with the restriction contained in section 802.

Amendments affecting rules of evidence.—The Senate bill, but not the House amendment, requires that the rules of evidence required to prove that State or local authorities are practicing racial discrimination in assigning students to public schools shall be uniform throughout the United States. The House recedes.

Application of proviso of section 407(a) of the Civil Rights Act.—The Senate amendment restated a portion of the language of section 407(a) of the Civil Rights Act of 1964 and provided that such language shall apply to all public school pupils and systems, under all circumstances and conditions everywhere in the United States, its territories, and possessions. There was no comparable House provision. The House recedes.

PROHIBITION OF SEX DISCRIMINATION

Both the Senate amendment and the House amendment provided that no person in the United States may, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance. Both versions however contained a number of exceptions which are discussed below.

(a) The House amendment exempted from the prohibition all undergraduate admissions to institutions of higher education. The Senate amendment exempted admissions to all institutions except institutions of vocational education, professional education, and graduate higher education, and to public institutions of undergraduate higher education which do not have a traditional policy of admitting only students of one sex. The House recedes.

(b)(1) Both amendments postponed the effective dates of the probitition during periods when an institution is changing from one-sex status to coeducation. Under the House amendment, the institution was exempted, whereas under the Senate bill, only the admissions policy of the institution is exempted. The House recedes.

(2) Under the House amendment, an institution had seven years to undergo the transition to coeducation, whereas under the Senate amendment, all institutions were exempt for one year from date of enactment, and institutions undergoing transition are exempt for an additional six years. The conference agreement retains both provisions.

(c) The Senate amendment provided a specific exemption for institutions preparing individuals for military service or merchant marine service. The House recedes.

(d) The House amendment, but not the Senate amendment, provides that nothing in the language shall be interpreted to require preferential or disparate treatment of the members of one sex. The Senate recedes.

(e) The definition of "educational institution" in the House amendment included "any institution of higher education". The comparable language in the Senate amendment is "any institution of vocational, professional, or higher education". Under the Senate amendment, but not the House amendment, a department of an educational institution which is an administratively separate unit is deemed to be an educational institution. The House recedes.

(f) In addition, the House amendment, but not the Senate amendment, provided that nothing in the title authorizes action by any department or agency with respect to any employment practice of any employer, employment agency, or labor organization except where a primary objective of the Federal financial assistance is to provide employment. The House recedes.

(g) The House amendment, but not the Senate amendment, also prohibited discrimination against the blind in educational programs and activities. The Senate recedes.

(h) Both amendments repealed the exemption in title VII of the Civil Rights Act for educational institutions. The Senate amendment, but not the House amendment, creates an exemption in title VII for educational institutions with respect to the employment of individuals

of a particular religion to perform work connected with the carrying on by such institution of its religious activities. The Senate recedes.

(i) The Senate amendment amended title IV of the Civil Rights Act to include sex within the term "desegregation" and as such authorizes the Attorney General to bring suit in discrimination cases. There was no comparable House provision. The House recedes.

(j) The Senate amendment, but not the House amendment, authorized the Civil Rights Commission to investigate discrimination on the basis of sex. The Senate recedes.

(k) The Senate amendment required the Commissioner of Education to conduct a survey to determine the extent of discrimination on the basis of sex in educational institutions. There was no comparable House provision. The Senate recedes.

(l) The House amendment, but not the Senate amendment, specified that institutions may maintain separate living facilities or the basis of sex. The Senate recedes.

Miscellaneous

Membership of the Advisory Commission on Intergovernmental Relations.—The Senate amendment expanded the Advisory Commission on Intergovernmental Relations from twenty-six to twenty-eight by adding two members appointed by the President from a panel of four elected school board officials submitted by the National School Boards Association. Such additional members shall serve for two years. There was no comparable House provision. The Senate recedes.

Students on boards of trustees.—The Senate amendment declared the sense of the Congress that one elected student should be a fully enfranchised member of the governing board of every institution of higher education in America and required the Secretary of Health, Education, and Welfare to report within twelve months on the implementation of this title. There was no comparable House provision. The conference report contains the following provision: "It is the sense of the Congress that the governing boards of institutions of higher education should give consideration to student participation on such boards."

ASSISTANCE TO INSTITUTIONS OF HIGHER EDUCATION

Title I of the Senate amendment provided that each institution of higher education at which a recipient of a Basic Educational Opportunity Grant was in attendance would be entitled to a cost-of-instruction allowance, the amount of which would be determined in accordance with the total number of students enrolled at the institution, as follows:

"If the total number of students in attendance is—	The amount of the grant is—
Not over 1,000	$500 for each recipient.
Over 1,000 but not over 2,500.	$400 for each recipient or, if the number of recipients is at least 100, $50,000, plus $400 for each recipient in excess of 100.
Over 2,500 but not over 5,000.	$300 for each recipient or, if the number of recipients is at least 250, $110,000, plus $300 for each recipient in excess of 250.
Over 5,000 but not over 10,000.	$200 for each recipient or, if the number of recipients is at least 500, $185,000, plus $200 for each recipient in excess of 500.
Over 10,000	$100 for each recipient or, if the number of recipients is at least 1,000, $235,000, plus $100 for each recipient in excess of 1,000.

The Senate amendment also provided that cost-of-instruction allowances would be made available to institutions only upon submission by an institution of an application therefor which included assurances that the funds received would be used solely to defray instructional expenses, and would not be used for a school or department of divinity or for religious worship or sectarian activity. The Senate amendment further required that such applications include assurances that an applicant institution would not increase tuition rates charged to recipients of Basic Educational Opportunities Grants above the rate charged by the institution during the 1971–1972 academic year, that an applicant institution would not expend less for its academically related programs during an academic year for which a cost-of-instruction allowance was sought than the average amount it expended for such purposes during the preceding three years, that an applicant institution would submit such reports to the Commissioner as he might require by regulation, and that the Commissioner might require by regulation that such applications contain other statements of policies, assurances, and procedures that he determined necessary to protect the financial interest of the United States.

The Senate amendment further provided that in the event that a Basic Grantee attended an applicant institution on less than a full-time basis, the cost-of-education allowance to which the institution would be entitled for that student would be reduced in proportion to the degree to which that student did not attend on a full-time basis.

The Senate amendment further provided that in the event that during any fiscal year appropriations for the purpose of cost-of-instruction allowances were insufficient to pay in full all institutions' entitlements, the amount paid with respect to each such entitlement would be ratably reduced. By its terms, no method of computing entitlements or distributing payments could be used other than that specified in the Senate amendment.

No cost-of-instruction allowances could be paid under the Senate amendment during any fiscal year in which appropriations for the purpose of paying Basic Educational Opportunity Grant entitlements were insufficient to pay all such entitlements, or in which appropriations for Supplemental Educational Opportunity Grants, Work-Study payments, and National Defense Student Loan capital contributions did not at least equal appropriations for such purposes for the fiscal year ending June 30, 1972.

Part A of title VIII of the House amendment contained findings that an emergency condition has arisen which threatens the continued ability of many institutions of higher education to provide the education necessary to enable citizens to make their full contribution to the nation's economic and cultural development, and declared that the purpose of Part A was to meet such critical need through general assistance to such institutions.

The House amendment authorized appropriation of such sums as necessary to carry out its provisions, and provided that of the sums appropriated for such purposes during any fiscal year, two-thirds would be available only for general assistance grants to institutions of higher education as follows:

$100 for each student enrolled full time (including the full-time equivalent of students enrolled part-time) in the first two years of post-secondary education at an institution;

$150 for each student enrolled full time (including the full-time equivalent of students enrolled part-time) in the second two years of post-secondary education at an institution; and

$200 for each student enrolled full time (including the full-time equivalent of students enrolled part-time) at an institution.

The House amendment also provided that in addition to the sums paid to institutions as indicated above, each institution would be entitled to an additional $300 for each of 200 students, and an additional $200 for each of 100 students. In the event that two-thirds of the sums appropriated for the purpose of making grants as indicated above were insufficient to pay in full the amounts all institutions were entitled to receive, the House amendment provided that the grant to each institution would be an amount bearing the same ratio to the amount to which it was entitled that two-thirds of the sums appropriated bore to the total amount all institutions were entitled to receive under that part of the House formula based on numbers of students.

The House amendment further provided that of the sums appropriated for each fiscal year for the purpose of making grants under Part A, one-third would be available only for the purpose of making grants to institutions in accordance with the aggregate of (1) Educational Opportunity Grant, Work-Study and National Defense Student Loan funds available for payments to students at each institution for such fiscal year, and (2) 40 per centum of the amount paid to veterans (who served on active duty in the Armed Forces for at least 180 days

subsequent to August 4, 1964) under section 1682 of title 38, U.S. Code. Each institution would be paid a sum equal to a percentage of such aggregate, as follows:

50 percent of such aggregate if the number of full-time students, and the full-time equivalent of the number of part-time students, enrolled in such institution during the most recent academic year ending prior to such fiscal year did not exceed 1,000;

46 percent of such aggregate if the number of full-time students, and the full-time equivalent of the number of part-time students, enrolled in such institution during the most recent academic year ending prior to such fiscal year exceeded 1,000, but did not exceed 3,000;

42 percent of such aggregate if the number of full-time students, and the full-time equivalent of the number of part-time students, enrolled in such institution during the most recent academic year ending prior to such fiscal year exceeded 3,000 but did not exceed 10,000; and

38 percent of such aggregate if the number of full-time students, and the full-time equivalent of the number of part-time students, enrolled in such institution during the most recent academic year ending prior to such fiscal year exceeded 10,000.

The House amendment further provided that in the event that one-third of the sums appropriated for the purpose of making grants to institutions as indicated above were insufficient to pay in full the amounts that all institutions were entitled to receive, the grant to each institution would be an amount bearing the same ratio to the amount to which it was entitled that one-third of the sums appropriated bore to the total amount all institutions were entitled to receive under that part of the House formula based on the aggregate of Federal financial assistance paid to students.

The House amendment further provided that institutions of higher education might receive a grant under part A only upon application therefor, and that such an application might be approved if the Commissioner determined that it described the general educational goals and specific objectives of the applicant institution and the amount of institutional income needed to meet such goals and objectives, and contained satisfactory assurance that the proceeds of such a grant would be used for programs of the institution consistent with its goals and objectives, that current operating support of the institution from non-Federal sources had not been reduced in anticipation of funds to be received under Part A, that the applicant institution would make such reports as the Commissioner might require, and that the application contained such provisions as the Commissioner required by regulation to protect the financial interest of the United States.

The House amendment further provided that no grant under Part A might be made to, or used to support, a school or department of divinity, or for religious worship or sectarian instruction.

The agreement reached by the conferees with respect to the differing institutional assistance provisions of the House and Senate amendments provides that:

45% of the funds appropriated for institutional aid shall be paid on the basis of the aggregate amount of Supplemental Educational Opportunity Grant, Work-Study, and Direct Student

Loan funds paid to students at each institution, according to the following table:

If the total number of students in attendance at the institution is—	The percentage of such aggregate shall be—
Not over 1,000	50 per centum.
Over 1,000 but not over 3,000.	46 per centum.
Over 3,000 but not over 10,000.	42 per centum.
Over 10,000	38 per centum.

45% of the funds appropriated for institutional aid shall be paid on the basis of the number of Basic Educational Opportunity Grant recipients at each institution, according to the following table:

If the total number of students in attendance at the institution is—	The amount of the institutional aid payment under this segment will be—
Not over 1,000	$500 for each recipient.
Over 1,000 but not over 2,500.	$500 for each of 100 recipients; plus $400 for each recipient in excess of 100.
Over 2,500 but not over 5,000.	$500 for each of 100 recipients; plus $400 for each of 150 recipients in excess of 100; plus $300 for each recipient in excess of 250.
Over 5,000 but not over 10,000.	$500 for each of 100 recipients; plus $400 for each of 150 recipients in excess of 100; plus $300 for each of 250 recipients in excess of 250; plus $200 for each recipient in excess of 500.
Over 10,000	$500 for each of 100 recipients; plus $400 for each of 150 recipients in excess of 100; plus $300 for each of 250 recipients in excess of 250; plus $200 for each of 500 recipients in excess of 500; plus $100 for each recipient in excess of 1,000.

10% of the funds appropriated for institutional aid shall be paid on the basis of the number of graduate students at each institution at the rate of $200 per capita.

The conferees' agreement also provides that the portion of institutional assistance determined on the basis of the number of Basic Educational Opportunity Grant recipients enrolled at each institution may not be paid until the Basic Educational Opportunity Grant program is funded at a level sufficient to satisfy 50% of the amount to which each Basic Grant recipient is entitled. When the level of of funding of the Basic Grant program reaches the point where suffi-

cient funds are available to satisfy 50% or more of the amount to which each Basic Grant recipient is entitled, that portion of institutional aid determined according to the number of Basic Grant recipients may be paid at the same level at which Basic Grant entitlements are being satisfied. No similar limitation is placed on payment of those portions of institutional aid determined on the basis of (a) the aggregate amount of Supplemental Educational Opportunity Grant, Work-Study and Direct Student Loan funds paid to students at each institution, or (b) the number of graduate students enrolled at each institution.

The conferees' agreement further provides that if during any period of any fiscal year the appropriations available for paying sums to which institutions are entitled are insufficient to fully satisfy all such entitlements, the amount paid with respect to each such entitlement shall be ratably reduced. When additional funds become available for making such payments, the amount paid to each institution shall be in proportion to the degree to which such institution's entitlement is unsatisfied by payments previously made for such fiscal year.

The conferees' agreement adopts the relevant provisions of the Senate amendment with respect to applications for payments under those portions of the report under which institutional assistance is determined in accordance with the number of Basic Grant recipients enrolled at each institution, and the aggregate of Supplemental Educational Opportunity Grant, Work-Study and Direct Student Loan funds paid to students at each institution, but with one exception: the requirement that such applications contain assurance that an applicant institution will not increase tuition rates with respect to Basic Grantees above the rate charged by the institution during the 1971–1972 academic year is dropped.

The conferees' agreement also adopts unchanged the relevant provisions of the House amendment with respect to applications for payments under that part of the report under which institutional assistance is determined in accordance with the number of graduate students enrolled at each institution. That provision of the House amendment allowing the Commissioner to waive the requirement that operating support from non-Federal sources for educationally related programs of the applicant institution have not been reduced in anticipation of the receipt of Federal assistance monies is retained, as is the requirement, but only with respect to that portion of institutional assistance determined in accordance with the number of graduate students at each institution.

The provision of the House amendment requiring the Commissioner to report to Congress not later than 120 days after the end of each fiscal year regarding the effectiveness of Federal institutional assistance in achieving the goals and objectives of institutions, and in encouraging diversity and autonomy among all institutions, is retained, as is the prohibition on the use of funds for support of a school or department of divinity, or for religious worship or sectarian instruction, but only with respect to that portion of institutional assistance determined in accordance with the number of graduate students enrolled at each institution. For the purpose of this and other provisions of the conferees' agreement, the report utilizes the House language, "students . . . who are pursuing a program of post-

baccalaureate study" to indicate "graduate students" as the term is used here.

Limitation on payments to institutions.—The conference agreement imposes an overall limitation of $1,000,000 on payments under the program.

Cost of instruction grants for veterans.—The Senate bill would provide cost-of-instruction payments to institutions of higher education on behalf of veterans in attendance at such institutions. In order to be eligible, an institution must increase the number of veterans in attendance at such institution by 10 per centum the first year. If an institution is eligible for a payment, the amount of that payment shall be (1) $300 for each veteran and (2) in addition, $150 for each veteran who has participated in one of the special remedial veterans programs. In case of payments in this latter category, no payment would be made on behalf of a veteran if the institution receives a payment in excess of $150 on behalf of that veteran under the cost of instruction allowances section.

When appropriations are not sufficient to meet such institutional entitlements, the Commissioner of Education shall use funds from the National Service Life Insurance Fund and give such Fund noninterest bearing notes that the Secretary of the Treasury is authorized and directed to purchase. There are no similar House provisions.

The conference agreement establishes a program of cost of instruction payments to institutions of higher education on behalf of veterans similar to that in the Senate amendment. The conference amendment contains the following limitations:

(1) The authorization to make payments from the National Service Life Insurance Fund when appropriations are insufficient to meet institutional entitlements is deleted.

(2) The Administrator of Veterans' Affairs and the Commissioner of Education must jointly prescribe regulations.

(3) 50 percent of the funds received by an institution of higher education pursuant to this section must be utilized to provide special services for veteran students.

The conferees expect that the Commissioner, in determining the number of undergraduate students in attendance at qualifying institutions under section 420(a), would take guidance from VA regulations governing payments of educational assistance allowance to eligible veterans under chapter 31 or 34 of title 38 of the United States Code. Thus, it is expected that GI bill trainees attending such institutions of higher education under subchapter V or VI of such chapter 34 would be counted as part of such institutions' total number of "undergraduate students" in attendance during any academic year.

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